The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Hayashi's Resignation and "Present Difficult Situation" in Japan

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SATURDAY, SEPTEMBER 14, 1935 VOLUME 74, NUMBER 2

FORTY CENTS A COPY

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05		PEIPING		22.00
13.27		CHANGSINTIEN		22.48
9.54		PAOTUNG		2.23
5.50		SHIHCHIACHWANG		6.28
2.19		SHUNTEH		10.01
19.27		SINSIANG		16.45
16.43		CHENGCHOW		19.26
13.59		HSUCHOW		22.08
12.16		YENCHENG		23.51
9.58		CHUMATIEN		2.34
6.10		SINYANG		6.01
3.36		KWANGSHUI		8.36
22.45		KIANG AN		13.15
22.30		HANKOW (Tachimen)		13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

1st class passenger	80 kilogrammes (142 catties)
2nd class passenger	60 Kilogrammes (100.5 catties)
3rd class passenger	40 Kilogrammes (67 catties)

Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

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IS CHINA INTERESTED IN THE PHILIPPINE COMMONWEALTH?

THE Japanese are making extensive preparation for entertaining American officials who are proceeding to Manila to participate in the inauguration of the Philippine Commonwealth on Nov. 15. They have sent special invitations to Vice-President John N. Garner and George Dern, Secretary of War to stop over for a visit in Japan and all members of the House and Senate as well as newspapermen who attend the Manila celebration will be royally entertained in Japan.

Aside from the Americans and Filipinos, the Chinese have a greater interest in the new developments at Manila than anyone else—not excepting the Japanese. The Chinese probably have 100,000 of their citizens in the Philippines and up to quite recently they dominated the domestic trade of the Islands. But the Chinese residents of the Philippines, most of whom are natives of Fukien, have never been enthusiastic over the independence issue realizing doubtlessly that the coming of sovereignty might be followed by heavy taxes and other restrictions on Aliens, and particularly the alien group that possessed property but little power of defense. The Japanese also possess considerable property in the Archipelago but they also possess naval power which they would not hesitate to use in the event of oppression or even interference with what the Japanese regard as their "rights".

But this shouldn't prevent China from welcoming high American officials to these shores when they pass through Shanghai on their way to Manila and on the return trip. The last time an important delegation of American officials visited in China was in 1919 or 1920 when a group of Congressmen traveled from Shanghai to Mukden. Partly as a direct result of that tour President Harding was induced to include "China Questions" as matters to be discussed at the Washington Arms Conference which met later in 1921. That was how China got back Shantung Province from the Japanese militarists who had held the province for seven years from the outbreak of the World War in 1914.

It is quite true that the Japanese have torn up most of the Washington Conference treaties

and violated the most important of their solemn obligations, but the so-called Far Eastern Questions hasn't been completely settled despite the declarations of ignorant Japanese warlords who think they have bluffed the world. Capt. Dudley W. Knox, retired U. S. Naval Officer, recently contributed an article to the *U. S. Naval Institute Proceedings* in which he declared it was about time for the U. S. to call a halt in the Pacific. There are many more Americans who entertain similar feelings on this subject, hence China shouldn't give up hope.

By all means invite the Democratic New Dealers to make a tour of China and while they are here tell them the whole story! Tell them that China also would like to enjoy some of the benefits of freedom and self-determination which are being granted to the Filipinos.

WHAT U.S. EDITORS THOUGHT OF "VANITY FAIR" CASE

THE August 10 issue of *Editor and Publisher*, organ of the newspaper publishing industry in the United States, contained interesting information and comment on the so-called *Vanity Fair* case. The August number of *Vanity Fair* contained a cartoon of Emperior Hirohito which caused the Japanese Government to protest to the State Department.

According to *Editor and Publisher* the State Department in its official reply to Ambassador Hirosi Saito cited the free press guarantee of the American constitution, thus indicating to Japan's official representative that there can be no censorship of newspapers and magazines in the United States such as prevails in Japan and a number of other countries about the world.

But of greatest interest was the comment of the editor of the outstanding newspaper trade magazine in the U.S.A. on this brazen Japanese attempt to extend its military censorship of the press to other countries. Referring to assassination of several editors in Japan, the American paper pointed out that while the Japanese are demanding that their Emperor be protected against foreign irony, the Japanese press under military control remains free to print what it pleases against other nations "with merely human sovereigns."

The *Editor and Publisher* then called attention to the fact that the U.S. Government had not demanded an apology last year when a Japanese retired admiral wrote and circulated a novel describing war with the U.S.A. including defeat of the American fleet. Referring to the military dictatorship in Japan the paper said that when the Japanese "were not plundering China—they were shrilly demanding the foreign respect that its actions cannot command." The editorial concluded with the following significant paragraph,

> "Curious, even humorous, the incident is in some aspects; it is also tragic and ominous. If a cartoon of innocent intention in a class magazine can create a diplomatic situation, how much further need our free and careless funnymen go to provoke a break in diplomatic relations, or even an undeclared war."

In another section of the same issue of *Editor and Publisher*, Marlen Pew, the editor, referred to the scheme now being pushed by the Japanese Government to obtain complete ownership and control of all news distributing services, a subject referred to in an article by Morgan Young of the *Japan Chronicle* which appears elsewhere in this issue of *The Review*. Mr. Pew said that when the new scheme went into effect that the Japanese Government would not only control all news given to the Japanese people but also would have absolute control of all news leaving Japan for publication in other countries. Mr. Pew also referred to a recent incident in Japan where a reservists association, backed by the military, demanded that the leading Tokyo newspapers the *Asahi* dismiss from its employment the foreign editor, Shiro Machida, because of a speech be delivered before an educational organization wherein Mr. Machida referred to the adverse comment over the world occasioned by Japan's military adventures in Manchuria. Nothing about this incident has been published in the Japanese press but *Editor and Publisher* said that it was not uncommon for editors in Japan to be attacked at their desks and that the editors of several publications have been killed.

The China Press (Shanghai) published the following reference to the *Vanity Fair* case which had appeared previously in a Tokyo paper:

> The *Teito Nichi Nichi*, Tokyo news organ of the journalistic profession, reports that as a result of the protest that called worldwide attention to the drawing it was reproduced in 43 American newspapers, to the *Teito Nichi Nichi's* definite knowledge in half a dozen odd French newspapers and one Turkish newspaper. Probably dozens of other newspapers all over the world also reproduced the drawing and have not come to the attention of the *Teito Nichi Nichi*. Other repercussions also have followed swiftly on Ambassador Saito's protest. Gropper, the cartoonist, drew for *The New Masses*, American official communist organ, a so-termed "reply to the Japanese Emperor," a crude attempt, like the first Gropper drawing, lacking both in cleverness and understanding of the Far Eastern situation. NEA service, the largest news feature and picture service in America, immediately picked up the second Gropper drawing and has since circulated it all over the world, a copy having arrived in *The China Press* office. All this probably represents but a minor portion of the adverse publicity resulting from the protest over the *Vanity Fair* cartoon. The Japanese Foreign Office, says the *Teito Nichi Nichi*, has followed a policy of buying up all magazines containing the original cartoon and, we presume, the subsequent ones, also as soon as they appear on the news stands.

Koreans Attack Customs Inspectors at Chinghuangtao

Giving vent to their hatred of the Customs inspectors accumulated as result of the seizure of large quantities of smuggled goods in the past months, more than one hundred Koreans carrying wooden clubs attacked the Customs inspectors at Chinghuangtao railway station on September 7. Seven Customs inspectors were injured, of whom two are suffering from serious wounds and are receiving medical treatment in the local hospital. Two Koreans have been arrested by the Japanese police. The Superintendent of the Chinghuangtao Customs (a Briton) is negotiating with the Japanese authorities for the punishment of the Koreans and the payment of medical expenses of the injured.

Hayashi's Resignation and the "Present Difficult Situation" in Japan

ALL the reports sent out of Japan on Sept. 5, reporting the appointment of a new War Minister in succession to Gen. Senjuro Hayashi, referred to the "present difficult situation in Japan." These statements, without doubt, referred to the crisis which has developed within the ranks of the Imperial Japanese Army over what the Japanese newspapers refer to as the "enforcement of discipline."

Gen. Hayshi's resignation was a more or less definite indication that he had failed to accomplish his objective, otherwise the "enforcement of discipline;" hence it is likely that there will be more and possibly worse disturbances in the not distant future. The new appointee as Imperial War Minister is General Yoshiyuki Kawashima, whose biographers claim that he is "neutral" in politics and who once held the post of Military Attache in Germany, where he received his military education. According to a report from Tokyo by *United Press*, published in Shanghai on Sept. 9, Gen. Kawashima, although in office less than a week "was already demanding a positive and unequivocal clarification of the Government's policy on various matters, including the 'Minobe Theory' case which is still regarded as unsettled." So much has already been published about the so-called "Minobe Theory" case that it is scarcely necessary to explain it again, but Japan's best known teacher of law in the Imperial University, Dr. Minobe, had taught and written for many years that the Emperor was an "organ of the state." In other words, he argued that Japan was a constitutional monarchy which most of the outside world believed it to be prior to the Japanese military adventure in China's Manchurian provinces in 1931. Since that time, the Japanese warlords, in a desperate effort to discredit civilian party government and pave the way for a military fascist dictatorship, have been propagating the theory that the Emperor "is the state." In the last session of the Imperial Diet or Parliament, the Japanese Army had sufficient power to force the resignation of Prof. Minobe, who was a member of the House of Peers, and in addition ordered all references to his theories, as published in books or magazines, with regard to the Emperor's position in the government, destroyed. Recently the warlords compelled the Cabinet to issue an ambiguous statement in further repudiation of the Minobe Theory to the general effect that the nation's sovereignty "rests with the Emperor and any assertions to the contrary run counter to the national polity"...In short, the Cabinet under military compulsion (*Reuter*) "condemned a liberal interpretation of the constitution and... emphasized the Divine right of the Emperor and referred to the command issued by the Sun Goddess to her grandson on the latter's advent to Japan from Heaven, that Japan be ruled by an unbroken line of emperors."

But to get back to Gen. Hayashi's failure to "enforce discipline" and his ensuing resignation,

HELPLESS GIANT

From the Washington (D.C.) Times.

What a les on there is furnished
In th picture of this giant,
Who has made himself efenseless
By indifference and folly.

Huge and strong, but rendered helpless
By the self-adjusted handcuffs;
He is led away a prisoner
By a small but well-armed captor.

the present crisis in the army was precipitated late in July when Gen. Hayashi, the War Minister, and the so-called orthodox faction in the War Office executed a sudden coup and drove the so-called "die-hard" group from power. Actually there is little real difference between the groups, but since the Manchurian adventure in 1931, the "die-hard" group led by Gen. Araki, has been in a dominant position. The seizure of Mukden, capital of Manchuria, on the night of Sept. 18, 1931, was plotted and carried out by the Araki-Minami faction which later on was responsible for the kidnapping of the Manchu "Boy Emperor," Henry Pu-yi, from his home in the Tientsin Japanese Concession and his installation as "Emperor" of Manchukuo. The seizure of Mukden, which committed the Japanese Army and nation to the conquest of the Chinese northeastern provinces, was one of the most glaring violations of military discipline on record and most of the Japanese military disturbances in China since that time, including the Shanghai War early in 1932 and the recent drive into North China, have been in the same category. But all of the Japanese "violations of discipline" have not been committed in China. There have been several attempts by reactionary groups, aided and abetted by the military, to seize control of Tokyo through the assassination of the civilian officials of the government.

But Gen. Senjuro Hayashi and his close associates in the War Office obtained Imperial authority for a "clean up" and altogether had some 3,000 officers transferred, while some of the leaders of the die-hard group were dropped. The coup was generally heralded as "successful," but most of the Japanese newspapers let the cat out of the bag by trying to make the public believe that the Kwantung branch of the army (in control of Manchuria) had finally been "brought into camp." Those who have been watching political developments in Japan and in the puppet state of Manchukuo have long realized that the Kwantung branch of the army, now in a dictatorial position in Manchuria and North China, has been growing more and more independent. It has demanded and obtained from the Tokyo government a practically free hand in the control of a territory as large as three or four western states of the U.S.A. with important resources and a population of more than 30,000,000 people. In consequence, the Kwantung branch as "tail" of the Imperial Army has begun to wag the Japanese dog, as represented by the War Office in Tokyo. It has usurped control of Japanese diplomacy toward China and has relegated the regular diplomatic officials to a position somewhat resembling office boys. Diplomatic and consular officials wishing to stand in well with the Tokyo warlords constantly adopt a provocative and bullying attitude toward the Chinese officials with whom they come in contact. Recently the Kwantung army, contrary to the advice of civilian leaders in Japan, took the initial steps toward the creation of a Japan-Manchukuo economic "bloc" which may result in the eventual annexation of this important Chinese territory somewhat as the Japanese Army annexed Korea a quarter of a century ago.

But War Minister Hayashi's attempt to "enforce discipline" and bring the Kwantung army back into the Tokyo fold failed because, on August 12 a Lieut.-Colonel, one Saburo Aizura by name, walked into the office of Lieut.-Gen. Tetsuzan Nagata, Director of the Military Affairs Bureau of the War Office and a close associate of the War Minister, and after soundly berating him and charging him with responsibility for the recent "coup," drew his sword and slashed Gen. Nagata to death.

This all happened in the War Office in Tokyo and thus was exposed to the world the intrigue and factionalism which exists in Japan's mediaeval military establishment. Hayashi immediately called a conference of all high officers in the army, a conference described in the Japanese newspapers as the "most momentous in the recent history of the Imperial Army." But Hayashi's attempt to "enforce discipline" proved to be futile and he annnounced his decision to assume personal responsibility for the mess and resigned. The situation is, therefore, back at the approximate place where it started, with the Kwantung branch or clique in a semi-independent position and demanding so much money for its Manchurian and Mongolian adventures that the masses of the Japanese people are being impoverished to supply the immense sums. The best evidence that the Kwantung army has won out was provided by the recent appointment of Yosuke Matsuoka as President of the government-controlled South Manchuria Railway. Matsuoka, who led Japan's delegation out of Geneva after the League's adverse vote on the Manchurian question, has been campaigning for a fascist regime in Japan. Now he becomes head of the S.M.R. and with the army's support is planning a campaign into North China which will follow the general lines of the old British-India Company in India a century ago. According to authoritative reports from Dairen, headquarters of the S.M.R., the railway is experiencing financial trouble due to over-expansion, having increased its trackage through the seizure of Chinese railways and the purchase of the Russian owned Chinese Eastern line, from 650 to more than 7,000 miles at the present time. This element provides an added incentive for the impending drive into North China.

N.E.C. Expert Reports Oil Found in Sikang

Chang Cheh-yao, an expert of the National Economic Council, has returned to Shanghai from Sikang where he made a study of the newly-discovered oil deposits. A small quantity of oil brought back by the Chinese expert has been tested here and it is understood that the results are fairly satisfactory. Mr. Chang is submitting a report on his findings to the Ministries of Finance and Industry. Hopes are entertained in Chinese circles that the opening up of oil fields in Sikang may make China considerably less dependent on imported oil.

Meanwhile, it is reported from Nanking that the Ministry of Industry is planning to organize a company for the development of oil deposits in Shensi.

The proposed company will be capitalised at $10,000,000 Chinese currency. The Government will provide $7,000,000 while $3,000,000 worth of the shares will be offered to the public.

Those Generous Australian Politicians

SIR Frank Clarke, President of the Australian Legislative Council at Melbourne, declared it was perfectly satisfactory to the Australians so long as Japan expanded to the north or west, but not to the south! The occasion of the address was a luncheon in honor of Mr. Debuchi, Japan's "messenger of good will" to Australia. Sir Frank Clarke's exact words as cabled by *Reuter's* to the Shanghai newspapers on Sept. 7 were:

> "For years we (the Australians) have recognized the Japanese as one of the most energetic and ambitious races over-flowing her borders. We wish Japan well while she confines her expansion towards the north and west, *but not towards the south.*"

Immediately following this significant declaration as published in the Shanghai newspapers was a dispatch from Tokyo stating that Koki Hirota, Japanese Foreign Minister, had sent a cable to the Rt. Hon. J. W. Forbes, Prime Minister of New Zealand, expressing Japan's heartfelt thanks for the warm reception which had been accorded Japan's "goodwill messenger," Mr. Debuchi. There followed a brief statement to the effect that the growing friendship between Japan and the Australians was being crystallized in the formation of numerous Australia-Japan societies at Sydney, Tokyo and elsewhere—evidence of the widespread use of the Japanese "culture funds."

It is unfortunate that *Reuter's* didn't send more of Mr. Clarke's address, because the declaration, as cabled, amounted to giving Japan Australia's blessing so long as the Japanese warlords confined their activities to China and Siberia. We did not happen to have a good map available as these lines were written, but we imagine if one went far enough "north," he would find considerable American territory, particularly Alaska, included in the Australian politician's "donation." Also, if one regarded the mandated islands in the Pacific as strictly Japanese territory, as the Japanese regard them, the Australian's territorial award would also include Honolulu and the Hawaiian archipelago. Why he omitted the "East" when he was awarding new territory to Japan for her "overflow" toward the "north" and "west" we are unable to say unless he wished to spare the feelings of the Canadians and the Americans.

Perhaps Mr. Clarke had heard that Australia's sister dominion, Canada, already is involved in a serious trade controversy with Japan and didn't want to make the matter worse, but if the President of the Australian Legislative Assembly was quoted correctly and there was no qualifying statement in the complete text of his address, it stands as one of the most pernicious and asinine declarations of a responsible public official that we have ever seen. Aside from the insult to the Chinese and Russians and Americans, it was about the worst expression of selfish foreign policy we have seen and it was in particularly bad taste coming from a citizen of the Australian continent—where a handfull of white men sit around the fringe of a vast land which they have monopolized with a minimum of effort and thus far have bluffed the rest of the world into supporting them in their possession. Aside from the selfishness involved in the Australian's declaration, it also constituted evidence of ignorance of Far Eastern conditions that was deplorable. However, it must be admitted that the Australians were not alone in heaving a sigh of relief when the Japanese went into Manchuria. Many highly placed individuals elsewhere in the world figured that Japanese pressure on their own shores would be relieved "if the Japs were given a free hand in Manchuria"—but it hasn't relieved the pressure. The Japanese now demand naval parity and other disturbing things "because of their increased reponsibilities in Asia." In other words, having grabbed a considerable portion of the Chinese Republic, the Japanese must now have a larger military force so they can control and consolidate their gains and make preparations for seizing still more. Any idea that short-sighted Australian politicians may harbor—that they have obtained security because of Japan's adventure into Manchuria and North China—is likely to be shattered in short order just as soon as the Japanese have had a short breathing space and a chance to consolidate their gains.

About a year ago, the writer saw an expansive and somewhat intoxicated Australian going about slapping Japanese on their backs in the lobby of the Imperial Hotel in Tokyo and telling them that Japan was the greatest nation in the world and Australia's best friend. I asked the Australian for an explanation of the sudden outburst of international amity. His reply was, "Haven't you heard that Japan bought our entire wool crop and that the depression is over in Australia?"

While Sir Frank Clarke's statement was of particular interest to the Chinese, the Americans will be similarly interested in a statement by another eminent Australian, F. W. Eggleston, which appeared in the September number of *Pacific Affairs*, the organ of the Institute of Pacific Relations. Mr. Eggleston, who was formerly Attorney-General and Minister of Railways for the Australian State of Victoria, argued that the American fleet "is the greatest obstacle to disarmament, which must be based on minimum defensive requirements." If America would reduce its fleet, then Britain and Japan could reduce and and everything would be lovely, but in that event America and Britain would have to give up the idea of "saving China." Thus argued the Australian who declared that practical experience had shown that it was impossible to save China anyway; hence the Chinese must be thrown on their own resources. Therefore, ideas of naval ratios are meaningless and the Japanese proposal for equality should be accepted!

Mr. Eggleston professes an inability to understand why the United States requires a fleet or why the Americans recently have decided to build their fleet up to treaty parity. He declared a great deal of the responsibility for the piling up of armaments in the Pacific lies on the United States, whose fleet is clearly unnecessary for its own defense. After repeating all of the old arguments about the impregnability of Japan (said arguments having been spread about the world by Japan's chief military propagandist, George Bronson Rea), Mr. Eggleston urged against any combination of the American and British fleets and declared that any advance by America and Britain "would certainly lead to hostile action by Japan." The fact that the two leading western Powers have no bases within 3,000 miles of Japan, while the Japanese allegedly have five bases within that area, makes it futile for "admirals and pacifists" to apply any doctrine of compulsory collective security in the Pacific.

Then Mr. Eggleston takes up the problem of China. The cause of disequilibrium in the Far East "is the hopelessness of China" declares this Australian authority. If China were stable internally and able to provide the necessary services for her own people, Japan would have no advantage and Japan's economic activities would be of benefit to every nation in the Far East. But since it is impossible for the United States and Britain to "restore" China—a proposition to which the Chinese wouldn't agree anyway—then the only course to follow is to let the Chinese save themselves. Then without telling us how the miracle would be accomplished , Mr. Eggleston continued, "With China restored, there will be equilibrium in the Far East. Since these thoughts suggested Japan, he expressed the view that Japan does not seriously entertain any idea of conquering China; that Japan only wants certain economic advantages —and "who can blame her anyway?"

Finally Mr. Eggleston argued that Japan does not really believe in the twentieth century and is only imitating the policies of the western nations in the nineteenth century.

One wonders whether Mr. Eggleston would make these arguments if the Singapore Naval Base was not so near completion as it is. In 1922 the Australians were quite happy to take advantage of the protection afforded by the Washington Arms Conference treaties. The Singapore Base was only being planned at that time, but now that the Base is nearing completion and Britain is developing a powerful naval and aviation establishment there, the Australians are beginning to argue that Japan should have naval parity and a free hand in China.

As we remember the Australians, on one or two occasions in the not-too-distant past, were quite happy to see the American fleet on a friendly visit in Australian waters! But now, arguing from behind the nearly completed Singapore Base, the Australians charge the American admirals and pacifists with responsibility for piling up armaments in the Pacific. Accept the Japanese "parity" proposal, of course, because that would relieve the menace of a Japanese attack on Australia—although it would also necessitate the sacrificing of China to the Japanese military machine.

There is no special point at this late date in trying to explain to the Australian politicians why the breakdown of the peace machinery of the League and the Washington Arms Conference made it necessary for the United States to change its fundamental policy on armament. America now realizes fully that Japan does not believe in the twentieth century and has reverted to the practices of the nineteenth. Well, that also is a game which the Americans, if forced to do so, can play and from present indications, they seem to be moving in that direction. If the United States must, single-handedly, attend to the Japanese menace, it then follows that the United States may also—single-handedly—work out a new deal in the Pacific which might, conceivably, not be altogether to the liking of the Australians who are so willing to throw other people's territory to the Japanese warlords—so long as the said Japanese warlords "stay out of the south."

THE GIST OF JAPANESE PRESS OPINION

There are some skeptics in Japan who want still to find some amount of unsincerity in the present Nanking Government effort towards Japan-China rapprochement. Japan must be expected to make the best of the present favorable turn of the situation whatever may be behind it.—*Tokyo Kokumin.*

The proposed enforcement of the oil storage act is meeting with great difficulty because of the additional burdens it puts upon oil importers. The difficulty may be bridged either by granting subsidies to oil companies or by reducing the amount of storage and not by raising oil prices.—*Tokyo Jiji.*

Now that Outer Mongolia is completely Bolshevised, both China, in particular North China, and Manchukuo must be regarded as subject to the same danger. For prevention of the intrusion of such dangerous influence into North China and Manchukuo, collaboration between them is an imperative necessity.—*Tokyo Chugai.*

In celebration of the 40th anniversary of the Japanese regime introduced in Taiwan, a 10-year plan of developing Formosa is now formulated for enforcement from 1936. For pursuing this scheme, the authorities propose creation of the Taiwan Development Co. The benefit of such organization is doubtful.—*Tokyo Jiji.*

The Italo-Ethiopian trouble now promises to break the balance of power in Europe. This means a serious crisis for the League of Nations. Judging from the theories entertained by Italy, France and Britain regarding the pending issue, one fact is plain the prestige of the League is gone.—*Tokyo Kokumin.*

Comparison with leading Western Powers reveals that in respect to defence expenditure, taxation burdens and interests annually payable on State loans, Japan is far ahead of all with the heaviest percentages. This ought to be taken as one phenomenon which suggests the necessity for finance reform.—*Tokyo Hochi.*

Cocoon prices of late show a steadily upward tendency thereby contributing much to the recovery of sericultural economy. This reassuring state of affairs comes from the appreciation of silk quotations due to improvement of American industrial prospects. Warning is needed against over supply of silk.—*Tokyo Chugai.*

Japan Determined to Block Britain in China Unless Dominions Are Opened Up

SIR Frederick Leith-Ross, appointed by the British Government to inspect financial conditions in China, is at present in Japan conferring with various Japanese officials. He arrived in Yokohama Sept. 6, having made the trip from England *via* Canada, without visiting the United States. Sir Frederick is accompanied by Hall Patch of the British Treasury and C. Rogers, an expert from the Bank of England. The object of the visit, as described in a *Reuter* dispatch from Tokyo, is "to see whether, in co-operation with the other countries concerned, any proposals can be framed which will help to restore stable and satisfactory conditions benefitting both China's export trade and foreign trade." In an interview Sir Frederick said, "Japan and Britain have a common interest in China, and the purpose of my visit to Japan is to discuss the whole situation wherein Japanese and British interests are involved. Although my official mission is to investigate the economic and financial situation in China and make a report to the British Government, I am anxious to get the views of the Japanese Government and people on the China question, since Japan has great interests in China."

Sir Frederick's words do not, however, give a picture of the real situation. The principal Tokyo newspapers, almost with one accord, and with almost impudent frankness, commented that Britain finds herself slipping in the Far East and is now trying to bolster herself up as best she can. The Tokyo *Nichi Nichi* surmised that "the British Government is fully aware that a full understanding with Japan is necessary for the rehabilitation of British economics in China." The situation was put much more bluntly by the *Asahi*, which printed a long editorial on the eve of Sir Frederick's arrival. This prominent Tokyo journal said that Japan will come to no agreement with Britain regarding the economic position in China unless Britain will allow freer movement for the Japanese people and Japanese goods in the very extensive British dominions, many of which are only sparsely settled. A parallel was drawn between the Japan of to-day and the Britain of the past. It was argued that in the very nature of things Japan should endeavor to find an outlet for her surplus population and be allowed to extend the market for her goods. The *Asahi* also commented, among other things, as follows:

> "The door of the British dominions and colonies is closed against Japanese, while measures designed to exclude Japanese goods are in force there. It is British policy which has led to the situation in which Japan finds herself, a situation where she has to send her surplus population and sell her goods to Manchuria and China if she is to subsist at all. Yet Britain is reluctant to recognize this position of Japan. Britain is clamoring for the opening of the door in these regions, and is insisting on equality of opportunity there. What is worse, the British are adopting an attitude in regard to the question of assistance for China, which it is hard not to interpret as motivated by the desire to restrain Japan, as witness the plan for an Anglo-Japanese agreement, which she is insisting on. The British policy is inconsistent. Moreover, it is one which it is impossible to put in accord with Japanese policy. Is Britain really anxious for friendship and co-operation with Japan? If so, the first thing is for Britain to throw open her territories to Japanese. This is the most logical conclusion that can be come to. If it is the intention of the authorities of the Foreign Office to take the opportunity of the visit of Sir Frederick to ask the British Government correctly to understand the basic problem in Anglo-Japanese relations, they can be sure of the support of the people who are at one in regard to the sort of basis on which any Anglo-Japanese co-operation should be built."

The *Asahi* went on to say in connection with the question of trade relations between Japan and Britain that the conclusions reached by the mission of the Federation of British Industries, which recently returned from the Far East, where it investigated economic conditions, were fair and just. The *Asahi* said it was a fact, admitted by all, that industrial Japan and Britain are two large factors in the development of the world and the British Government and people would not be slow to admit that a rational adjustment of trade relations between Japan and Britain is demanded by the interests of the world—whose recovery would be accelerated by it—incidentally remarking that an Anglo-Japanese trade war would have a serious effect on the component parts of the British empire, whose production of raw materials would be seriously interfered with. There is no denying the fact that Japan is a threat to old-established industrial countries, but it does not follow from this that obstacles should be put in the way of Japan, said the *Asahi*, which commented further:

> "The advance of Japan in world markets, while oppressing countries which have vested interests in foreign markets, has been solving the economy of the world at large. Japan in the conquest of these markets has done much more good to world economy than the harm she has done to the interests of the old-established industrial countries. Japan has acquired markets, which have hitherto been neglected by the world industrial countries. She has revived an economic market in countries which have been too poor to take foreign goods. This represents a great contribution which Japanese trade has made to the development of world economy."

The Tokyo *Jiji* of Sept. 3 said that Foreign Minister Hirota's fundamental policy in connection with securing world peace through Anglo-American co-operation is as follows:

1. That Britain with her vast territory the world over, rich in natural resources and sparsely populated, should keep this territory sealed for the defense solely of British capital and close its doors against Japan so lacking in natural resources and seeking an outlet for her teeming population, cannot be considered a way to contribute to establishment of world peace.

2. Britain should give Japan free access to her vast territory throughout the world,

establish for Japan the principles of open door and equal opportunity which Britain has so earnestly sought to set up in the Far East and give Japan positive assistance for realization of Anglo-Japanese co-operation in the world.

3. At a time when Japan, charged with the heavy responsibility of being the stabilizing force in the Far East, has demanded positive co-operation on the part of China for concluding a Sino-Japanese entente and is about to launch on concrete steps, the British Government will assuredly recognize the fact that stabilization of the Far East is an important factor in the stabilization of the world and attach high historic significance to co-operation between Japan and China.

4. The Japanese Government, therefore, seeks positive co-operation of the British Government throughout the world for establishment of world peace and is convinced that there can be no opposition of the British Government or any third nation to the endeavors of the Japanese Government to maintain and develop Far Eastern stabilization.

Sir Frederick had a two-hour interview with Foreign Minister Hirota and Vice Minister Shigemitsu in Tokyo Sept. 10. Mr. Hirota is said to have suggested it was very difficult for Europeans to size up China's financial situation, but he assured Sir Fredrick that Japan was ready to do her utmost to co-operate with Great Britain in connection with the economic rehabilitation of China, provided Britain approached Japan with a concrete plan based on Sir Frederick's forthcoming survey.

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From the above it will be seen that Japan is determined to block Britain's further development of its predominant economic position in China, and particularly in the Yangtsze Valley, unless Britain is prepared to allow greater freedom of entry for both Japanese goods and people into its various dominions and colonies. Thus Britain in impaled on the horns of a dilemma of an exceedingly grave nature as the inhabitants of said British territories are opposed to such a Japanese invasion. But the alternative for Britain seems to be to see its vast economic structure in China—its railway investments and particularly the recent gains made by the cautious handling of returned Boxer Indemnity funds—undermined by persistent Japanese sabotage. It is probable that the Japanese ability in this respect is not yet fully appreciated in the Western World.

The staff correspondent in Shanghai of the *Osaka Mainichi* devoted much space to the forthcoming visit of the British economic adviser. In a telegram dated Sept. 2 the correspondent hazarded the opinion that the British economic expert's mission will be to take up the question of the British construction projects in regard to China (in other words, the plan for railway loans). This subject has already been probed through the investigation and study of Major-General Hammond who has long been an adviser to Chinese railways. By following the plan which has been successful in her colonies, Great Britain would probably seek to unify all Chinese railways (including unfinished railways) under the direct control of the communications department, and would then pursue the policy of making a loan to this railway body. Another question having a bearing on British railway policy will be that of the loan policy for undeveloped mines.

Brigadier-General Hammond, who had spent the past four months in studying Chinese railways, sailed for England via Canada on the *Empress of Japan* Sept. 8. General Hammond, who is a distinguished British rail expert, came to China at the invitation of the Chinese Ministry of Railways, and traveled over most of the important lines of the country during his stay. He made a long report which he deposited with the Ministry. A number of Japanese newspapers have professed to see political significance in General Hammond's visit, despite the fact that his main interest was ostensibly railways. It was officially stated in both British and Chinese circles that the sole purpose of General Hammond's inspection was to obtain an authoritative opinion on the present railway organization and suggestions for improvement.

As an example of how the Japanese will try to thwart British economic moves it may be mentioned that Mr. Suma, the Japanese Consul General in Nanking, several days ago addressed a "verbal warning" to Chen Kung-po, Minister of Industry, in connection with the $10,000,000 coal loan obtained from British interests. The "verbal warning," the Shanghai *Nichi-Nichi* declared was based on alleged violation of the spirit of the agreement concerning the Tsinan Incident. Article 6 of Chapter 9 of the annex of the agreement is alleged to have been violated, inasmuch as the British loan would tend to handicap the interests of the Loo Ta Mining Corporation, a Japanese firm near Tsinan.

The British policy of spending Boxer indemnity money on railway and other economic enterprises in China, and incidentally making a profit, was contrasted by the Shanghai *Mainichi* with the unproductive Japanese policy of spending vast sums for the maintenance of the Jen-Science Institute in Shanghai under the terms of the agreement concluded between Wang Ching-wei and Katsuji Debuchi in 1924; these are in addition to Government subsidies granted the Tungwen Association, the Dojinkai hospitals, the Sino-Japanese Association, the Japanese Residents' Corporation in Tsingtao, Shanghai and Tientsin and the Manchukuo Cultural Research Institute and its Museum. It is stated that the Chinese patronage of these institutions has fallen off considerably of late and the *Mainichi* foresees reductions in the subsidies granted by the Tokyo Government to Japanese cultural, medical and other public institutions in China as a result of a change in the money-spending policy of the Foreign Office. According to the *Mainichi* the Tokyo authorities have found that Japanese activities in China and Manchuria, financed by Boxer Indemnity and other funds totalling Yen3,000,000 a year, tended to be "too idealistic" in contrast to those of other Powers.

Japanese Press and Organizations Challenge British Control in Shanghai

DURING the past decades there have at times been heard murmurings on the part of other nationalities in Shanghai against the British practically monopolizing the administrative control of the Foreign Settlement. But until recent years they were merely murmurings. There was, for example, the incident when Amos P. Wilder, U.S. Consul General from 1909-14 (father of Thornton Wilder, famous as the author of "The Bridge of San Luis Rey") in a public speech said that the British in Shanghai assumed an even greater share in the management of local affairs than their admitted predominant commercial position entitled them to. Mr. Wilder's remarks produced nothing more than a ripple, or an amused smile. In those days criticism of the British control over Shanghai had about as much effect as attempts to shoot a pachyderm with sticks of macaroni. But in the intervening years many things have occurred to lessen the British hold. Until a short time ago the assaults on British (and incidentally foreign) control of Shanghai mostly came from the Chinese. But during the past few years and particularly during the past several weeks the attacks (of a most effective character) have come from the Japanese community. The Japanese press and various Japanese bodies have attacked the British position from many angles—and to tell the truth many of the arguments put forward by the Japanese in this connection are backed up by people from other nationalities.

One of the points made by the Japanese is that the administrative machinery of the Foreign Settlement entails an expense out of all proportion to the value of the services rendered. There is not the least doubt that such is the case Salaries of some of the officials of the Municipal service are comparable with that of Ministers of State in many countries in Europe and South America. In past years the administrative heads—British, of course—were selected from the point of view of their ability to maintain the Settlement of Shanghai as a sort of independent principality, regardless of Chinese wishes in the matter. It was for this service that they were paid—not for the actual administrative work that they did. With the collapse of that theory the need for officials with such qualifications has disappeared. But the high salaries continue—and form a legitimate basis for criticism. The huge police force, and particularly the formation of the paid White Russian guards—camouflaged with the euphemism "Volunteers"—were recruited with the main idea of protecting the Settlement from Chinese *political*, and incidental physical, invasion in times of crisis—not merely for following the ordinary routine of preserving the peace. The need for such an organization has now passed. The services these guards render at present are in no way proportionate to the huge expense of maintaining them.

The *Shanghai Mainichi* Aug. 14 urged abolition of the Russian Regiment of the Shanghai Volunteer Corps, and drastic reductions in the expenses of other branches. Some of the more radical elements in the Japanese community are asking for the complete abolition of the Corps, which they hold to be unnecessary so long as foreign troops are maintained here for the protection of the International Settlement. In spite of a reduction of $46,190 in this year's budget, the various unpaid units still spend $386,490, while the Russian Regiment's appropriation has grown by $4,260 this year to a total of $405,080, the Japanese newspaper pointed out. The British officers who are being employed by the S.V.C. at high salaries, some Japanese hold, are unnecessary. The command of the Corps could be entrusted to the commander of the Shanghai Defence Forces, while staff officers could be detailed from the various national military units, these critics state. Moreover, the equipment used by the S.V.C. need not be expensive British material but could be purchased on a competitive basis elsewhere.

Three Japanese newspapers in Shanghai Aug. 23 simultaneously expressed criticism of the Shanghai Municipal Council's system of taxing house tenants. All three said that the double burden of high rents and high taxes was contributing to economic depression in the Japanese community. The papers declared that proportionately heavier taxes were imposed upon petty merchants than upon large enterprises, and also criticized the taxation of those who benefit from the building of roads. The road tax, is was suggested, should be collected on a differential basis, making a distinction between those who derive direct benefit from new roads and those who benefit only indirectly. Of the total revenue of about $25,000,000, the Council secures about $10,000,000 from the house tax, it was pointed out. "This is no longer an age in which the Shanghai Municipal Council can be an old-age asylum, or an unemployment relief agency for Britons," the Shanghai *Nippo* declared. "We must correct the bad practice whereby Britons monopolize most of the executive posts in the administration. Japanese, Americans, and other nationals should be given a fair chance to obtain those executive positions, in keeping with the name of the International Settlement." Drastic reforms in the organization of the Shanghai Municipal Council, including the introduction of universal suffrage, were suggested by the *Mainichi*. Should universal suffrage prove to be unacceptable, the *Mainichi* proposes that the franchise be granted to all taxpayers, both landowners and tenants. The paper also urges the election of a Council consisting of sixty foreign and forty Chinese members, who will, in turn, chose an executive group of six foreigners and four Chinese. The *Mainichi* voices dissatisfaction with the present

system of electing executive members "by the general meeting of taxpayers." More deliberation in the passage of the $50,000,000 budget of the S.M.C. by the taxpayers also was urged, the present system of approving the budget in a few hours being strongly criticized.

The onslaughts from the Japanese community had an appropriate reaction. On September 3, the *North China Daily News*, popularly referred to as the British official organ because of its close working together with the British Consular authorities and the Municipal Council, published an editorial "The Need for Action," the principal burden of which was to the effect that in the last three years the turmoil of political changes had gravely distrurbed the balance of the international polity on which the Settlement rests. The *N. C. D. News* among other things said:

> "Japanese impatience has received vigorous presentation but that community, as a whole, is probably convinced that the international character of the Settlement affords the best opportunity for furthering the commercial prosperity in which Japan takes an ever-increasing share. If, however, sufficient regard is not paid to what are held to be legitimate desires, then the possibility of curbing chauvinist suggestions is likely to recede. The Council, in this medley of conflicting ambitions, has been embarrassingly placed. Political expediency, applying pressure from more than one direction, has led it to readier surrender than the circumstances have always justified.... The need for stirring the responsible Powers to a really effective joint consultation on this problem is urgent. It can be met only in one way: the Council should at once set itself to the formal examination of the whole position and should prepare a full statement for presentation to the proper authorities. Public opinion should organize itself in the meantime to give the Council in this matter strong and effective support. If the Powers are confronted with a unanimous petition from the Sino-Foreign residents of Shanghai they will at least be unable to say that they have not been warned."

The official French *Journal de Shanghai* entered the fray with a long editorial by "G. M." on September 5. The French editor threw his cudgel in many directions, but the principal object of attack was the Municipal Council of the Foreign Settlement. The principal contention of the French journal was that the Shanghai Municipal Council overstepped its authority by treating direct with the Chinese authorities, thus usurping the functions of the Consular Body, and in the end when the test came it surrendered to the Chinese when it was not necessary. The *Journal* even contended that the rendition of the old Mixed Court was an indirect cause—but a very efficacious one—of the hostilities in Shanghai. "In the Far East as elsewhere there are persons who draw the chestmuts out of the fire for others."

The *North China Daily News* replied in a caustic editorial Sept. 7 entitled "A Gallic Diversion." The *N. C. D. News* spurned support on the terms proffered by the French paper. The *N. C. D. News* made several effective replies to the French contention. On the point of the rendition of the Courts, the *N. C. D. N.* said:

> "The realists of French diplomacy, in negotiating their Court agreement, went even further than their Municipal Council. And here it is pertinent to point out that the Council of the Foreign Settlement was not responsible for the rendition and its relevant agreements. Its representatives, indeed, in 1930 were consulted only on four specific points at a time when they were presented with a virtual *fait accompli*. In the light of happenings since then, the situation which now demands close attention from the Council, and, ultimately, from the responsible diplomatic authorities, is partly due to the assault made on the Settlement. That assault came not from the Council nor from the Chinese authorities, but from those whose readiness to pull chestnuts out of the fire the foreign resident is invited by the French journal gratefully to admire."

Japanese Navy Now Urges a Southern Advance

(*From the Tokyo Nichi Nichi*)

The Japanese Navy, which had been investigating the industrial value of the South Seas from the standpoint that promotion of national defense must be accompanied by industrial development, has now reached the conclusion that in order to attain industrial develpment Japan has to make a southerly advance.

The conclusion that Japan must develop her industries and defense by a southerly advance has been reached in connection with measures to be taken to cope with the United States strengthening the Pacific islands and America's attempt to grasp air hegemony on the Pacific and also in connection with the lasting nature of Japan's mandate administration of the South Seas.

It is very clear that the southerly advance policy springs from the strategical demand in national defense. Details, however, about the Navy's South Seas advance policy, aside from military significance, follow:

1. Self-sufficiency in essentially needed materials:—Japan cannot attain a state of self-sufficiency unless by depending on an advance to the South Seas, where practically everything such as foodstuffs, materials for military supplies, industrial materials, etc. manufactured in Japan can be produced. Rice, oil, raw cotton, iron ores, wool, rubber and pulp produced in the South Seas, not only fill the demand of Japan but also raise hopes of increased production in the future. If sure contact is maintained between Japan and the South Seas both in time of peace and war and materials can be obtained by Japan from the South Seas, there will be little or no fear. Moreover, a big industrial stride will be made by Japan.

2. Japan as an export industrial nation:—If Japan can secure sufficient materials and cheap materials on a lasting basis and if Japan utilizes her excellent labor, superior both in quantity and quality and also her limitless electricity-generating water power, Japan has a very bright future as an export industrial nation. Moreover, Japan has some millions of customers for her goods in India, China and the South Seas. Japan's shipping industry is making a worldwide advance. All the conditions for great development as an industrial nation are complete.

3. The advance of the shipping industry:—As a shipping country Japan is much favored by her superior crews and superior shipbuilding technique and her geographical position occupying the center of the Pacific. Japan's vessels at present export 70 per cent of Japan's export goods (Britain exports her own goods by her own vessels to the extent of 60 per cent, Germany and Italy 45 per cent). It is even noted that as soon as there was promise of the restoration of Sino-Japanese friendship, vessels amounting to 600,000 tons were chartered. In order to firmly secure the resources of the South, Japan must have a steady development of the shipping industry and there is a every probability of attaining this development.

4. Development of marine products:—It is quite remarkable that the fishermen of Japan who top the world both in technique, ability and spirit are extending their area of operations not only in the Pacific but also the Southern Pacific with their fishing vessels numbering as many as 370,000. The pearl, bonito and tuna fisheries are almost the exclusive enterprises of the Japanese fishermen. It is conceivable that these fishing vessels might be active at the front line of national defense in the sea in time of war.

5. Solution of the population problem:—Limitless treasure houses are being left untouched and undeveloped in Dutch New Guinea and Borneo, etc. It is necessary for Japan to send emigrants there through diplomatic negotiations. It is necessary both for Japan's industry and for the Japanese emigrants that they should be induced to engage in production of such materials as Japan needs badly in Dutch territory.

The southerly advance which has to be enforced as a means to strengthen Japan's national defense power will thus also strengthen Japan's mandated territory. The enforcement of this policy can be made in safety only by the support of Japan's great naval power.

Under the slogan "Watch the South Seas from the Standpoint of National Defense" the Navy has decided to issue a pamphlet and take other means so that full knowledge about the southerly advance policy may be imparted into the minds of the Japanese people.

N. E. C. Not to Establish Branch in North; Fierce Fighting with Reds in Szechuan and Hunan

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Tang Yu-jen Corrects Reports on Sino-Japanese Co-operation.**
2. **Japanese War Office to Take New Measures in North China.**
3. **Wang Keh-min Bitter on North China Situation.**
4. **Chin Teh-hsun Assumes Office as Chahar Chairman.**
5. **Nanking Accepts Japanese Demands on Train Robbery Case.**
6. **Koreans Injure Chinwangtao Customs Officials.**
7. **Threatened Fighting Among Mongol Chiefs Averted.**
8. **Hunan Reds Reported Only 43 Miles Away From Yangtsze.**
9. **Fierce Fighting Between Reds and Government Troops in Szechuan.**
10. **Canton Fails to Fulfill First Three-Year Plan in Time.**
11. **Sixth Plenary Session of Kuomintang C. E. C. Postponed.**
12. **Nanking Prepares for Panchen Lama's Return to Lhassa.**

The rumor that the National Economic Council will establish a branch office in North China is absolutely groundless, said a spokesman of the National Economic Council when interviewed by *Reuter* Sept. 5.

"There are some individuals in North China," he declared, "who have taken steps in the organization of a North China economic association, but this merely represents private interests and has nothing to do with the National Economic Council."

The spokesman added that the rumor probably arose "from a wrong translation of the Chinese name of the newly proposed body in North China, but in Chinese the names of the National Economic Council and the organization in question are entirely different."

TANG CORRECTS PRESS REPORTS ON SINO-JAPANESE ECONOMIC COOPERATION

"The reports published in the foreign press regarding the alleged Sino-Japanese economic co-operation are entirely guess work and are not to be credited." This statement was made by Tang Yu-jen, vice-minister of foreign affairs, in a press interview at Nanking Sept. 4.

Mr. Tang said that the economic co-operation between the two countries, to be mutually beneficial, must be on the basis of reciprocity and equality.

As regards the Hopei Economic Association, Mr. Yang stated that the members of the Association are composed mostly of economic experts, but he did not know whether there are any Japanese members in it. He added that he had no information on the question.

The inauguration of the newly organized Hopei Economic Union, which was originally scheduled to take place Sept. 6, had been postponed owing to the absence in Shanghai of Chou Tso-min, Managing Director of the Kincheng Banking Corporation, who is one of the promoters and an important member of the new organ. A spokesman of the Union reiterated on Sept. 6 the fact that the Union will be a pure research organ and will have no political significance or background whatever.

Shanghai Mainichi reported that during the last session of Central Political Council, Wang Keh-min was recommended by one of the influential leaders in Nanking as a member of the Hopei Economic Association. Mr. Wang will be appointed chairman of this Association in the near future, the paper further reported.

JAPANESE PROTEST AGAINST STAMP TAX LAW

Yakichiro Suma, the Japanese Consul-General at Nanking, protested Sept. 6 to the Ministry of Foreign Affairs against the application of the provisions of the Chinese Stamp Tax Law to Japanese subjects. The protest declared that the law infringed upon the extraterritorial rights held by Japanese subjects.

In addition, Mr. Suma pointed out that the Chinese Government notified the Japanese authorities of its intention to enforce the law only on August 23, a week before it went into effort. This period, he said, was insufficient for the Japanese authorities to study the matter.

JAPANESE WAR OFFICE TO TAKE MEASURES IN NORTH CHINA

Contrary to the wishes of the Japanese, an anti-Japanese campaign is being carried out secretly in North China, thus fundamentally destroying the spirit of the agreement which was concluded by General Ho Ying-chin and Major-General Umetsu, following the North China incident, according to a report in *Shanghai Mainichi* Sept. 5.

The Japanese War Office is paying close attention to the following points:

1) In spite of the existing agreement providing for the construction of a railway between Chuanchow and Shichiachuang, to link the Tientsin-Pukow Railway with the Peiping-Hankow Railway, by both Japanese and Chinese capital, General Chiang Kai-shek has recently instructed the local authoriteis to cancel the agreement and deprive Japanese interests of the right to construct the railway.

2) The branches of the Central Bank of China, the Bank of China and the Bank of Communications in North China are assisting the local Governments in the economic development of the region, and are taking the leading role in the region, thus checking the furtherance of Sino-Japanese economic cooperation.

3) Following the abolition of the Peiping Political Readjustment Council, there will be no local authorities to negotiate with Japan on matters resulting from the so-called "Ho Ying-chin-Umetsu agreement." In this way, the Nanking Government will delay the settlement of pending questions between Japan and China.

4) In accordance with instructions from General Chiang Kai-shek, the Hopei Economic Association will be organized, which will suppress the influential figures in North China, and which will handicap Sino-Japanese co-operations.

5) Terroristic activities are being carried out by the authorities against pro-Japanese politicians, merchants, journalists and scholars. In this way all agreements between China and Japan amount to nothing.

WANG KEH-MIN BITTER ON NORTH CHINA SITUATION

Declaring that Sino-Japanese issues in North China were beyond his power, Wang Keh-min, acting Chairman of the now defunct Peiping Branch Political Council, told the press Sept. 6 that he had "no intention to attempt their solution, so matter what title I am to be given." This bitter declaration was made by Mr. Wang at a farewell luncheon given by him to Japanese and Occidental newspaper men.

"There are many others who are willing to art as fools in my place," he remarked.

NEW CHAHAR CHAIRMAN TAKES UP DUTIES

General Chin Teh-hsun, the new Chairman of the Chahar Provincial Government, formally assumed his duties Sept. 6. As the Central Government had not appointed a representative to administer the oath of office, the oath-taking ceremony is to be held at a later date. Following his assumption of office, General Chin summoned a meeting of the high officials of the Provincial Government and other organs under its jurdisdiction, and announced that no reorganization of the various departments was planned. He

added that he would continue to carry on the policy of his predecessor, General Sung Chih-yuan.

GENERAL SUNG CHIH-YUAN SOON TO ASSUME NEW GARRISON POST

Rengo reports that Gen. Sung Chien-yuan, former Chairman of the Charhar Provincial Government, is scheduted to arrive at Peiping on September 14 to assume his new post of Commander of the Tientsin-Peiping Garrison. The present Tientsin-Tangku Peace Preservation Headquarters will be abolished at the same time, according to the Japanese report.

The abolition of the Tientsin-Tangku Peace Preservation Headquarters, which were under the command of Gen. Shang Chen, Chairman of the Hopei Provincial Government, was ordered by the Nanking authorities as Gen. Sung refused to take over his new duties while the Chairman's troops remained in what the former claimed was now his territory, *Rengo* further states.

An emphatical denial of current reports to the effect that the Peace Preservation Headquarters for the Tientsin-Tangku Area will be abolished has been issued by General Shang Chen, chairman of the Hopei Provincial Government and concurrently commander of the Headquarters.

SINO-JAPANESE BANDIT SUPPRESSION PLAN REPORTED

Yin Ju-keng, special administrator for the Luanchow-Shanhaikwan Area in the Demilitarized Zone, told press representatives Sept. 3 that in view of the rampancy of bandits in the war zone, Chinese and Japanese authorities have worked out a plan to jointly drive out the bandits. Mr. Yin explained that the bandit situation in this area remains serious. Most of the bandits have now fled to the other side of the Great Wall where it was difficult for the special police to reach. A joint campaign by both the Chinese and the Japanese authorities, therefore, would be necessary.

CHINA ACCEPTS JAPANESE DEMANDS ON TRAIN ROBBERY CASE

A reply to the five "demands" served on the Chinese authorities by the Japanese Consul-General, Mr. Shigoru Kawagoe, in connection with the bandit raid on a through Peiping-Liaoning train on August 15, has been handed to the Japanese consular authorities.

The text of the reply has not yet been made public, but the Japanese authorities, interviewed by *Reuter* Sept. 9, declared that it amounted to a virtual acceptance of the "demands" *in toto*. The five "demands" were:

1.—That Yin Tung apologize for the alleged negligence of the railway officials.

2.—The arrest and severe punishment of the culprits.

3.—Guarantees of protection of trains and lines—which must "be carried out, not merely promised."

4.—Compensation for the persons killed and wounded, the amount to be communicated in a subsequent Note.

5.—The restoration of the goods stolen, or, failing that, compensation amounting to $35,000.

Several persons, including three Koreans, were killed during the hold-up. The bandits looted the express, making a clean sweep of several bundles of Chinese banknotes carried by the Koreans.

Col. Cheng Tao, Commissioner of Police of the Peiping-Liaoning Railway, has been relieved of his post on account of his negligence of duty during the recent train robbery at Shiho. It is learned that the Ministry of Railways has appointed a Mr. Tsi as his successor.

KOREANS ATTACK AND INJURE CHINWANGTAO CUSTOMS OFFICIALS

Seven officers of the Chinwangtao Customs were seriously injured and two others slightly wounded as the result of an attack by 100 Korean "ronins" at the railway station on the 7th. The wounded officers were sent to the Kailan Mining Hospital for medical treatment.

The attack was launched in revenge for the confiscation by the Customs officers of a large quantity of artificial silk smuggled by the Koreans. Incensed, the Koreans assaulted the officers who were rescued only by the timely arrival of Japanese gendarmes.

Li Tse-i, a member of the defunct Peiping Political Readjustment Commission, arrived at Nagasaki from Shanghai by the N.Y.K. express liner *Nagasaki Maru* Sept. 5 and left there the following morning for Tokyo. The mission of his visit in Japan is unknown.

TIENTSIN CHAMBER OF COMMERCE UNDER WATCH

The City Government of Tientsin Municipality has ordered the dissolution of the preparatory office of the so-called Far Eastern Trading Corporation allegedly organized under the joint auspices of the Tientsin Chinese Chamber of Commerce and a group of certain alien nationals. It is learned that the City Government is paying close attention to the activities of the Chamber of Commerce and exercising great caution against the formation of illegal organizations.

No less than 42 persons and 10 official organs and business concerns are alleged to be involved in the sensational case of corruption in which Chang Chih-hsin, Counsellor of the Taiyuan Pacification Headquarters and concurrently a member of the Railway Purchasing Commission, is the principal figure. He was recently arrested on the charge of accepting bribes from merchants who contracted for the supply of railway sleepers for the Tatung-Puchow line. The case is being tried by the Special Criminal division of the Court. For disregard of law, corruption and dereliction in duty, Li Hsin-pang, Magistrate of Jenkiu, south-eastern Hopei, will be removed from office and suspended from the civil service for a period of 5 years. A decision to this effect was rendered by the Central Committee for the Disciplinary Punishment of Public Functionaries at its meeting Sept. 5, acting upon an impeachment by the Control Yuan.

A proposal of Mayor Yuan Liang recommending the appropriation of $100,000 for the relief of the refugees from the North-eastern provinces who are now in Peiping, has been approved by the Executive Yuan. In a telegram the Executive Yuan states that the Ministry of Finance has been instructed to remit the amount. Mayor Yuan is enjoined to prevent lawless conduct on the part of the refugees.

The Bureau of Public Safety in Peiping has issued orders to all police stations drawing their serious attention to a number of matters. Among these matters is listed the arrest of opium and other drug addicts. The prohibition of the wearing of "queer" and "fancy" dress in the streets is also to be enforced and the police must see that good order is maintained in the streets.

The Public Safety Bureau has complied statistics showing that there are 70,000 drug addicts in Peiping. Since the establishment of municipal treatment centers for addicts only 10,000 have been cured, according to a statement by the Bureau. Energetic efforts are to be made to induce all addicts to surrender voluntarily for treatment.

FIGHTING IN INNER MONGOLIA FEARED AS BANNER CHIEF DISOBEYS COUNCIL ORDER

Serious fighting in Inner Mongolia thereatens, according to reliable Chinese reports received from Kweihuachang Sept. 6.

The Mongolian Political Council at Pailingmiao recently dismissed Dorlchi, chief of the West Banner in Suiyuan, but he has refused to vacate. He claims that, as he inherited the post from his forefathers, the Council has no right to oust him.

Dorlchi has appealed to General Chiang Kai-shek to restrain the Council, which meanwhile, has appointed a successor and sent him to West Banner under military dispatched 300 troops forcibly to oust Dorlchi.

The threatened outbreak of hostilities in Inner Mongolia has been averted as a result of action by the National Government, according to later reports from Suiyuan. While the Government has ordered that military action by the Mongol Council be stopped, an official from the Mongolian Affairs Bureau has arrived at Kweihuachang in an endeavour to effect an amicable settlement.

Japanese airplanes have been conducting daily reconnaissances over the territory of the Yeghe Jo (Ordos) League, Inner Mongolia, during the past few days, the Suiyuan

Provincial Government reports in a telegram to the Peiping authorities on Sept. 6. It is also reported that a Japanese special military mission has been established at Pailingmiao.

HUNAN REDS REPORTED ONLY 43 MILES AWAY FROM YANGTSZE

The Red forces which lately have been very active in northwest Hunan are now stated to be within 43 miles of Ichang, but on the opposite side of the river, according to a *Reuter* report from Peiping. The general northward direction of the Red advance, since the occupation of Tseli and Shihmen late last month, has relieved the pressure on Changteh, the largest town in northwest Hunan, and an attack on that city in now no longer to be feared.

This latter body of Reds, under Ho Lung, is estimated to number about 20,000 men, equipped with about 8,000 rifles. Some time ago, Tseli and Shihmen were captured from these Reds by Government forces, but the Reds have now turned the tables and retaken them. Ho Lung and his followers now appear to be making for the Yangtze near Itu and Tungshih and are believed to be not more than 20 miles from these places. Government troops were despatched from Ichang to Tungshih some days ago to prevent any crossing of the river by the Reds.

In response to appeals by the Hunan authorities for reinforcements, Gen. Chiang Kai-shek has ordered troops under Gen. Sun Lien-chung to enter into Hunan to assist the provincial authorities. Meanwhile, precautions taken at Changteh are not being relaxed, for fear of a return of the Red forces. Changteh now resembles a military camp. Defences have been built round the city and martial law is still in force.

In addition to Ho Lung's army, another band, commanded by Hsiao Keh, is active north west of the Tungting lake and is threatening Lichow, about forty miles north-east of Changteh.

The headquarters of the 4th Route Army, of which Lieut.-General Liu Chien-hsu is the Commander, will be removed to Yuanling (Shenchow), western Hunan, from Changsha in order to facilitate the direction of the campaign against the remnant Reds under Hsiao Keh and Ho Lung in western Hunan. Lieut.-General Liu, who is concurrently Pacification Commissioner for western Hunan, will return to Yuan-ling shortly.

FIERCE FIGHTING PROGRESSES BETWEEN GOVERNMENT TROOPS AND REDS IN SZECHUAN

According to a telegram from General Hu Cheng-nan, the division commanded by General Wu reached Changshih on September 5. On the same day, the troops under the command of General Li returned to Hsiaositien. The Government troops are still vigorously holding Asichung and Chiuchihshih in spite of a fierce and determined attack by the Reds.

Great devastation was wrought by the Reds on the evening of September 4 in the vicinity of Shanhsinshih, south of Asichung. They wantonly destroyed by fire a number of the Miao huts.

A band of Reds, about 3,000 in number, fled from Koehchou River towards a destination 40 li from Kunchangwang. It has been learned that Hsu Shang-chien has led two bodies of troops from the east of the Koechou River to attack Sungpan.

The bandits under Hsu Tung-hai, according to a telegram which has been received from General Chu Shaoliang, have fled to Chuchenchin and have been defeated by the Government troops. The latter pursued the fleeing Reds to Laokiu and Panama. They are now continuing their flight in a northerly direction.

On September 3 a Government force consisting of infantry and cavalry attacked the bandits led by Hsu Tunghai southeast of Hosui. Two battalion commanders and one regimental commander of the Reds were killed, while the bandits at Kuehnchin are being rounded up.

A report received at Chengtu Sept. 7 states that the troops under Wang Hui-wu are firmly holding Tungpai. Reds to the number of several thousand are feverishly pushing on the construction of denfence works at Paotso. They frequently send detachments of cavalry to Hsiahuiung and start skirmishes. Their 25th division and the chief hospital are quartered at Achu, and many women and children are transporting food supplies to the Reds.

General Huang Shao-hsiung, Chairman of the Chekiang provincial government, who recently completed a tour to Kwangtung and Kwangsi provinces, arrived at Chengtu Sept. 5 by airplane. The mission of General Huang's trip to Szechuan, is to report to the Generalissimo on the result of his trip to the South.

The retreat of the Red forces in South Kansu continues and three divisions have fled to the vicinity of Tungpai. On th evening of September 2, there was a severe engagement at Chiuchisnih, the Reds making a vigorous attack. They were, however, repulsed the following morning. On September 2 and 3 a large body of Reds, estimated at 10,000 fled from Asi in the direction of Yaohsien. Government planes are keeping the Reds under close observation, and they report that a large body of the communist-bandits are lying perdu in the region south of Paotso, which is confirmatory of the message sent on September 5. There is reason to suppose that another large body of Reds is hiding in the neighbourhood of the Pachuho River

To prevent the entry into Suiyuan of the "Reds" in Shensi, General Fu Tso-i, Chairman of Suiyuan and concurrently Commander of the 35th Army, has called a military conference to discuss defence measures. The various regimental commanders have been given fresh instructions by General Fu to check any invasion by the marauders. Lieut.-General Wang Ching-kuo, Commander of the 70th Division, left Kweihua for Paotow, western Suiyuan, Sept. 7 conferring with General Fu.

General Sung Chu left Taiyuan Sept. 10 for Shensi to begin military operations against the Communist forces under Liu Shih-tan, who have been moving in the north-western part of the province.

According to *Rengo*, these Red troops have recently occupied Pingan and Tienshui and are threatening to join forces with the Reds under Hsu Hai-tung. The junction would seriously threaten the adjoining province of Ninghsia.

Tentative plans for the construction of a motor road linking Yunnan province with Burma are being enthusiastically discussed between Tseng Yang-fu, Reconsstruction Commissioner of Chekiang and special Highway Construction Superintendent for the four provinces of Hunan, Hupeh, Szechuan and Kweichow, and high officials of the Yunnan provincial government. It is learned that survey corps will shortly be organized to map out a suitable route for the projected highway. Construction funds for the motor road, it is planned, will be appropriated by the Central Government.

CANTON FAILS TO FULFILL FIRST 3 YEAR PLAN IN TIME

The much heralded Three-Year Plan for Kwangtung, which has been in effect since January 1, 1932, is only partially fulfilled, although it will come to an end by December 31 this year, according to an unofficial survey completed Sept. 8.

Material achievements are in the establishment of several factories by the Provincial Department of Reconstruction. The latest additions are three plants for the production of caustic soda, fertilizer, and cotton goods. More government factories will be established as soon as money is available.

The cement factory is the most flourishing of all government plants, as by heavy taxation, imported cement is kept out of the province. Government cement therefore has a clear field.

Although products from other government plants are practically free from private competition, they have to close down from time to time. The sulphuric acid plant and the sugar refineries suspended operation for some time and then resumed work later.

Depression is one of the causes for the setback of the Three-Year Plan. Lack of expert planning is believed to be one of the factors for the failure of some of the industrial projects, whereas in most cases American technical men are employed to lay out the many industrial schemes.

The Three-Year Plan also calls for improvement of the land, sea and air forces. Nothing is known as to the degree of success as applied to these three fighting services, as no military secrets are allowed to be publishd in the press.

YUNNAN PROGRESSES IN AUTONOMY MOVEMENT AND RECONSTRUCTION

The people of Yunnan are peacefully pursuing their occupations. They are devoting their energy towards the development of industries in their own province with the complete extermination to bandits there. This bright picture of China's southwestern border province was brought back by Chang Wei-han, former commissioner of civil affairs of Yunnan and now member of the Legislative Yuan, who recently returned to Nanking following an investigation into the progress of the autonomy movement in the border province.

According to Mr. Chang, considerable progress has been made in the field of autonomous government in Yunnan. Boards of council have been organized in practically every district in the province, and budgets for autonomous administrations regularly fixed. Besides, the "pao chia" system as well as the granary system has been widely adopted in Yunnan, he added.

Continuing, Mr. Chang said that reconstruction work is proceeding apace in Yunnan. A number of provincial textile, hardware, cement and alcohol factories have either been established or set up there.

Questioned about the stand of the Yunnan authorities vis-a-vis the Yunnan-Burma boundary dispute, Mr. Chang said they will follow the policy of the Central Government with regard to this matter.

General Tu Yih-chien, director of the Canton Military Academy now travelling abroad, has been telegraphically recalled to China while he was attending the German army maneuvers in Silesia, and left for the Far East via Italy Sept. 6. The general accordingly renounced his previous plan of visiting the United States. In the course of his seven months sojourn in Germany, he made a detailed study of the Reich's military organization.

That the Kwangtung Provincial Government be instructed to abolish the new surtax on agricultural fertilizers, imposed on the 1st inst., is urged by the Shanghai Miscellaneous Provisions and Oil Cake Merchants Guild in a petition to the Executive Yuan and the Ministries of Industry and Finance.

The newly-organized Commission for Overseas Affairs intends to send a high official abroad to investigate conditions among Chinese living in other countries and help them in any way possible. The first visit will be paid to the South Sea Islands, where the majority of overseas Chinese live.

SIXTH PLENARY MEET OF KUOMINTANG POSTPONED

The Standing Committee of the Central Executive Committee of the Kuomintang decided on Sept. 5 to postpone the Sixth Plenary Session of the Kuomintang until November 1. The Fifth National Kuomintang Congress, however, will be held as originally scheduled, on November 12.

CHIEF EXECUTIVE BACK IN NANKING AFTER SUMMER VACATION

Lin Sen, Chairman of the National Government, returned to Nanking Sept. 8 after an absence of two months at Kuling, where the aged Chief Executive spent his customary summer vacation. Mr. Lin returned by the gunboat *Chungshan*, and was welcomed at the Hsiakwan wharf by Wang Ching-wei, President of the Executive Yuan, and over 300 ranking Government officials.

GENERAL HUANG FU RESIGNS POST AS INTERIOR MINISTER

General Huang Fu formally handed in his resignation from the post of Interior Minister to the Executive Yuan on Sept. 10. General Huang was appointed Minister of the Interior early last spring but did not take up his post on account of his illness. During the past several months, he has repeatedly voiced his wish to be excused from this post.

After completing investigations of judicial conditions in several North China provinces, Wang Yung-pin, Minister of Justice, arrived at Sian, Shensi, from Taiyuan, Sept. 4. He will spend two or three days in Sian to inspect conditions of courts and prisons in Shensi province.

Following his inspection in Shensi, Mr. Wang will return to Nanking in time to attend the National Judical Conference which is scheduled to open on September 16.

After a protracted absence of several months during which he has been recuperating his health at the Western Hills. Peiping, Ku Meng-yu, Minister of Railways, returned to Nanking Sept. 7 from the Old Capital by the Peiping-Pukow express. Now that his health has been restored, Mr. Ku stated that he would return to his office within two or three days.

NANKING PREPARES FOR PANCHEN LAMA'S RETURN TO TIBET

In view of the fact that the Panchen Lama is shortly to start his journey back to Lhassa, Government authorities are now busily making arrangements for escorting His Holiness in his tedious trip to the Tibetan capital and for properly restoring him to his exalted position.

Cheng Yun, of the Mongolian and Tibetan Affairs Commission, who was appointed by the Government to escort the Tibetan dignitary to Lhassa, Sept. 9 called on Wang Ching-wei, President of the Executive Yuan, and received instructions from him concerning his (Mr. Cheng's) mission. Mr. Cheng, it is understood, will shortly proceed to Kokonor to join the Panchan Lama there.

Interviewed, Mao Ting-chi, the Chinghai (Kokonor) delegate to the forthcoming National Land Conference, who arrived at Nanking Sept. 7, said that owing to continuous pursuit by the Central Government and Szechuan troops, the remnant "Reds" in north-western Szechuan are attempting to flee to Chinghai to secure a new base. Close defence measures have been instituted by the Chinghai provincial authorities to prevent a "Red" invasion. At present, the "Reds" are still loitering in north-western Szechuan.

Kao Hsi-pin, Commissioner of Reconstruction for Sinkiang, called on President Wang Ching-wei Sept. 6. After reporting on the latest situation in Sinkiang, Mr. Kao tendered his resignation to President Wang, on the ground that the task of reconstruction in Sinkiang is handicapped by lack of both experts and funds. President Wang however urged Mr. Kao to remain in office as he (Mr. Kao) is not only familiar with the situation in Sinkiang but is on cordial terms with General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border.

LHASSA AND CHENGTU TO BE LINKED BY AIR LINE

An ambitious scheme is being considered by the China National Aviation Corporation to link Chengtu, provincial capital of Szechuan and the terminus of the Shanghai-Chengtu air line, with Lhassa, the capital of Tibet. The C.N.A.C. it is learned, have already placed an order with an American air-plane factory for several powerful machines to be placed on the service of the proposed line.

PROPOSED ABOLITION OF LAW COURTS BITTERLY CRITICIZED

Assumption of judicial duties by administrative officers was vigorously denounced by Chang Chih-pen, member of the Legislative Yuan, in a press interview Sept. 10 in Shanghai. Mr. Chang is among a group of judicial experts who have been invited to attend the forthcoming National Judiciary Conference to be held in Nanking shortly. During the interview Mr. Chang cited the proposals made by certain persons that law courts in China be abolished and that handling of legal cases be entrusted to the administrative officers. To support such proposals, it has been suggested, Mr. Chang cited that the expense of government could thus be reduced. Mr. Chang said that he takes serious exception to this view as, it was pointed out, retrenchment could be effected through many other ways. The expenses for the maintenance of a huge army, for instance, he said could be considerably cut, and there are many superfluous organizations whose dissolution would enrich China's finances. Law courts that constitute one of the most important provisions for a constitutional country should be, he said, the last victim of a retrenchment program.

In conclusion, Mr. Chang emphasized that it is absolutely necessary to maintain courts independent of the administrative system of the government if China is to have judiciary independence.

Japanese Population Believed Close to 100,000,000 Mark

The fourth national census is to be taken in Japan on Oct. 1. The Statistical Bureau of the Cabinet thinks it possible that the result of the forthcoming census will show the total population of the Japanese Empire to exceed 100,000,000. The population of Japan, including Korea, Formosa, Karafuto and even Kwantung Province and the South Sea islands under Japanese mandated rule, as revealed by the last census in 1930 was 91,793,680. Compared with the figure obtained by the previous census in 1925, it shows an increase of 7,226,383. In conjunction with the forthcoming national census, the Tokyo Municipality is going to make an additional inquiry to ascertain when citizens, who were not born in Tokyo, came to live in the city, where they were born and what are their nationalities if they are aliens. By this additional inquiry, it is hoped the fact can be established what was the influx of local people into Tokyo, from what prefectures these people hail, and how many foreigners there are. These facts will furnish important data for the study of the concentration of population in big cities, and of the question of urban versus rural districts.

Japanese-Canadian Trade War Threatened in Note from Ottawa to Tokyo

Threat of a trade war between Canada and Japan was contained in a letter addressed by the Canadian Government to the Japanese Minister Sept. 5. The communication, which was signed by the Premier, R. B Bennett, informed the Japanese Minister that, if the discriminatory surtax of 50 per cent ad valorem on certain products exported to Japan was not discontinued, the Dominion would be obliged to give notice that the Anglo-Japanese Commercial Treaty would no longer be applicable to Canada. The Japanese Government, the letter said, had failed to recognize in any way the very substantial concession accorded to imports from Japan through the reduction in the exchange compensation duty, which had made full allowance for the extent to which the competitive advantage arising from the depreciation of Japanese currencies had been offset by the relative increase in the price-level in Japan. The letter expresses the hope that the Japanese Government may yet be persuaded of the justness of the position taken by the Canadian Government and remove the discriminatory surtax imposed on Canadian products.

Japanese Raw Cotton Imports Show Decided Decrease

Imports of raw cotton to Japan for the twelve-month period ending on Aug. 31, totalled 3,803,521 bales and showed a decrease of 376,913 bales in comparison to amount imported during the previous year, according to figures receased by the Osaka Raw Cotton Dealers Association.

American raw cotton, although leading Japanese imports of the product, dropped, while shipments of Indian and Peruvian cotton increased markedly. The decrease in American imports was ascribed to the price-raising policy adopted by the United States Government by Association officials.

Soviet Purchases in Japan Reach Yen 42,500,000

Purchase contracts signed by the Soviet Trade Representation with Japanese trading concerns in connection with the transfer of the Chinese Eastern Railway to Manchukuo had involved about Yen 42,500,000 by the end of August, the *Yomiuri* reports. Machinery accounted for the largest amount of Yen 8,080,000, electric wires Yen 7,263,000; foodstuffs Yen 6,429,000; ropes, twines, fishing nets and similar articles combined Yen 3,907,000; ships Yen 3,332,000; bean oil, cocoanut oil, sardine oil, castor oil and others combined Yen 2,681,000; hardware Yen 2,728,000; woolen cloth Yen 1,633,000; silk and rayon cloth combined Yen 2,579,000; chemicals and drugs Yen 1,633,000; silk and rayon cloth combined Yen 2,579,000; chemicals and drugs Yen 1,100,000; cotton cloth and others combined Yen 195,000; and special goods with Yen 32,000 in addition to charterage involving Yen 10,000.

America Buys Artificial Wool in Japan

Shipments of Japanese staple fiber (artificial wool) to the United States have become heavy of late and shipments there and to Germany by the Toho Staple Fiber Company are rising steadily. Japan turns out more staple fiber than the United States but the quality is said to be far inferior to the American and European brands. The prices are much lower, however, and Japanese staple fiber is displacing the European.

Teikoku Rayon Trial Is Enlivened by Attack on Procurator

Procuratorial rage at being called "rebellious subjects and traitors" by Shigeru Shimada in the course of testimony threatened for a time Aug. 31 to halt the trial of 16 prominent defendants in the so-called Teikoku rayon stock scandal, which is being held before the Tokyo District Court. Claiming the whole judiciary had been subjected to insult by the witness, who is one of the defendants, the procurator's office requested that the trial be not resumed until satisfaction had been obtained.

Presiding Judge Goichiro Fujii refused to grant the request, made by the assistant chief procurator, and resumed the hearing. Shortly afterward he succeeded in inducing Shimada voluntarily to retract his words.

The witness' attack upon the procurators grew out of his objection to a statement written into the preliminary record saying that Teikoku rayon stock declined early in 1933 as a result of the "bugbear" of international action against Japan of an economic sort.

Japanese Naval Maneuvers to End on Oct. 5

Japan's navy, which is now giving the nation's newly-strengthened defences in the north their first practical test, will return to Tokyo Bay on Oct. 5 for a review by the Emperor, the Tokyo Navy Ministry announced Sept. 4. The war games, which are costing Yen 6,000,000, are taking place over a wide area comprising northern Honshu, Hokkaido, Saghalien and the Kuriles.

On August 17, more than 70 vessels comprising the combined fleet, under the command of Admiral Sankichi Takahashi, sailed out of Tokyo Bay bound for "somewhere in the Pacific." On their way to their destination, they were to be joined by the temporary Fourth Fleet, consisting of coast guard and second-line vessels, which was specially organized to take part in the mimic war. This group is commanded by Vice-Admiral Hajime Matsushita. The Second Fleet, commanded by Vice-Admiral Mitsumasa Yonai, is also taking part.

Since their departure from Tokyo Bay little has been heard from the ships, land and sea stations being silenced to simulate war conditions.

Japanese Navy Has Program to Assure More Oil

Concerned about Japan's limited oil resources, the Navy is said to have worked out a program to improve the situation. Domestic resources will be developed more intensively, Japanese interests will be encouraged to obtain control of foreign oil fields, the storage provisions of the Oil Industry Law will be enforced and oil substitutes will be produced, the Tokyo *Kokumin* stated Sept 2.

Naval preparedness has been greatly enhanced by the construction of new warships under the first and second replenishment programs, the paper points out, but the navy is worried about the supply of oil to run its ships and airplanes.

There are many areas in Japan proper, the naval men believe, where oil prospecting has not been given adequate attention, notably in Aomori, Akita, Niigata and Nagano. Taiwan is also promising, as is South Saghalien. Some of the fields already being exploited would probably yield more if drilling were carried deeper. By more intensive drilling, it is thought that the domestic production can be increased appreciably.

Japanese Army to Carry Out Formation Flight to Harbin

Nine Japanese Army airplanes will leave Tokorozawa, on Sept. 16 on a formation flight to Harbin and return. Thirteen men will man the craft, which will consist of three bombing, three scouting and three fighting machines of the latest design.

Chinese Diplomat's Son Seeks Divorced Japanese Mother

Orders to locate Mrs. Kikuko Yokomizo, divorced wife of Li Sheng-chin, former Chinese Minister to Belgium, went out to all police stations in Japan Sept. 9 at the request of her son, Li Chao-mu, an archeologist, residing in the Japanese Concession in Tientsin. Police action followed the application of Pai Chen, of Shanghai, also an archeologist and an intimate friend of the younger Mr. Li, for aid to secure the whereabouts of the former Mrs. Li. Mr. Li, who is now 30 years old was born in Belgium. His mother divorced the Chinese diplomat, whom she had met and married in Japan, three months after his birth.

Japanese Minister of Communications Dead at Age of 70

Takejiro Tokonami, Minister of Communications, died from a heart attack Sept. 8 at the age of 70. Premier Keisuke Okada has taken over temporarily the post vacated by the death of Mr. Tokonami. Mr. Tokonami was charged before the Diet last December with having accepted a bribe of Yen 50,000 in 1929 from Marshal Chang Hsueh-liang of Manchuria, in exchange for a promise to "soften" the Japanese Government's policy towards China. He however, was officially exonerated on April 22 this year by the Procurators' Office of the Tokyo District Court as a sequel to the examination of Kazubumi Tsuruoka, a former member of the Lower House, on charges of slander.

Kawashima Claims Full Accord with Okada in First Talk

Gen. Yoshiyuki Kawashima, who was selected successor to Gen. Senjuro Hayashi as Minister of War, declared on taking office that he had reached "a complete understanding" with Premier Keisuke. Asked about his attitude on the question of national policy which has been hanging fire for the last eight months, Gen. Kawashima declared he would seek a "thorough clarification of the matter." The question deals principally with the theory advanced by Dr. Tatsukichi Minobe.

"Common Interest" of Britain and Japan in China Stressed by Leith-Ross

"Japan and Britain have a common interest in China and the purpose of my visit to Japan is to discuss the whole situation wherein Japanese and British interests are involved," Sir Frederick Leith-Ross, chief economic advisor to the British Government, is quoted by *Rengo* as having said in a press interview aboard

the s.s. *Empress of Asia*, on his arrived in Yokohama from Canada en route to China, Sept. 6. "Although my official mission is to investigate the economic and financial situation in China and make a report to the British Government, I am anxious to get the views of the Japanese Government and people on the China question, since Japan has great interests in China," he added.

Japan Prepares to Welcome U. S. War Secretary Dern

The Japanese Foreign Office authorities are drawing up plans to welcome George H. Dern, American Secretary of War, who is expected to visit Japan on his way to Manila to attend the inauguration of the Philippine Commonwealth Government. Mr. Dern is scheduled to leave San Francisco on a cruiser on Oct. 1, stopping in Hawaii, Japan and Shanghai on his way. Mr. Dern is expected to call on Koki Hirota, Minister for Foreign Affairs, during his stay in the Japanese capital. On his way home, Mr. Dern is expected to stop at Tokyo again.

Sir Frederick Leith-Ross, the chief economic adviser to the British Government, visited Tsushima, Vice-Minister of Finance, and Mr. Hirota, Foreign Ministerin Tokyo Sept. 10.

With the former, Sir Frederick exchanged information on China's economic condition, the monetary problem in Manchukuo, and the general situation in Europe. According to press reports, the Vice-Minister told Sir Frederick that China has a vast reserve economic strength and the country's rehabilitation would be better assisted by helping China to secure political unity and to develop her natural resources, rather than by granting an international loan at this time.

Sir Frederick called on Mr. Hirota in the afternoon and remained in conference for more than two hours. While details of the conversation that took place for not available, it is reliably understood that Mr. Hirota invited the British expert to stop again in Japan after his visit to China, and Sir Frederick was said to have accepted the suggestion.

Mr. Hirota is said to have suggested it was very difficult for Europeans to size up China's financial situation, but he assured Sir Frederick that Japan was ready to do her utmost to co-operate with Great Britain in connection with the economic rehabilitation of China, provided Britain approached Japan with a concrete plan based on Sir Frederick's forthcoming survey. The Emperor is granting an audience to Sir Frederick, probably on Sept. 17. The Chief Economic Adviser to the British Government proposes to leave Kobe for Shanghai on Sept. 18.

The Huge Financial Burden of the Japanese Army and Navy

The *Tokyo Hochi* takes a serious view of the way in which the national money is being dispensed in this country, and commended the following set of comparisons to the earnest consideration of the National Policy Council.

The Tokyo journal first gives the proportion of defence expenditure to the total national expenditure for 1935 as follows :—

Japan	46.30%
Britain	13.57%
America	18.14%
France	21.57%

The defence expenditure borne by the Japanese people exceeds the ordinary tax revenue, and forms 97% of the Government's aggregate revenue from taxes from stamps and from Government enterprises. In order to show that this does not mean that the burden of taxation is too light in Japan, the *Hochi* gives the following comparison of percentage of the tax burden to the national income :—

Japan	16%
Britain	14%
America	13%
France	25%

The loan policy is causing widespread apprehension in Japan As loan issues increase, interest payments inevitably increase. The proportion of interest payments on public loans to tax revenues is given by the *Hochi* as follows :—

Japan	33%
Britain	31%
America	23%
France	28%

The Tokyo journal next divides the total national expenditure into three groups with their respective percentages :—

Defence expenditure	46.3%
Civil list and national loan charges ...	31.7%
Administrative cost and subsidies ...	23.0%

In conclusion, the *Hochi* pointed out that the aim of constitutional government is to advance national prosperity and promote the welfare of the nation. If so, it is only natural that the financial administration of the country must be in accord with this object. But can the figures given above be taken to testify to the faithful pursuit of the aim of constitutional government? If they are abnormal it is the duty of statesmen to correct it, the *Hochi* declared.

"Britain Intuitively Feels Herself on the Down Grade"---Matsuyama

While Britain is "intuitively" feeling that her future is on the down grade in the Far East, she also realizes that she must protect the security of her vast investments in China, made during the past decades, and is, therefore, prepared to make a new loan to that country if need should arise. Such an advance, however, would never be made by Britain alone.

This was the opinion expressed in Tokyo Sept. 7 by Shinjiro Matsuyama, Japanese commercial counsellor to London, as he arrived in Tokyo Sept. 7 on his first trip home in eight years.

"Britain appears to feel that she must carry on her China policy in co-operation with Japan," Mr. Matsuyama remarked, adding that he believed that British sentiment for an understanding with Japan was reflected in the present visit of Sir Frederick Leith-Ross.

The British economic expert, Mr. Matsuyama believes, has two purposes in view. "One is to investigate whether or not China's finances can be put back on their feet so that past British investments there may be adequately protected," he said. "The other is probably to find out how co-operation with Japan could be effectively carried out."

The conflict of Anglo-Japanese commercial interests precipitated by Japan's rise as an industrial power is not beyond solution, the commercial counsellor opined.

"Britain has given up hope of monopolizing worked markets. If Japan will only advance a plan that would be advantageous to Britain, I am sure that the impasse caused by the breakdown of the conference between Osaka and Lancashire textile manufacturers could be settled," he asserted.

"Colombo and Singapore are among the British colonies that have been the worst hit by the termination of the Anglo-Japanese Commercial Treaty and the imposition of the quota system. If we can find a means that would not cause an actual loss to Japan, and would give Britain some sort of benefit, I am sure that co-operation between the two countries is possible," Mr. Matsuyama continued.

He said that this question would comprise the major part of his discussions with Koki Hirota, Foreign Minister, and Japanese business leaders.

"Britain is aware that this sort of question will not stand argument and is unwilling to discuss it publicly, but actually she is aware of the real strength of Japanese industry and is anxious to find a means to put a stop to its advance. Consequently, we should pay serious attention to the actual policies of Great Britain," he concluded.

Japan's Invisible Trade Shows Heavy Adverse Balance

Japan's invisible trade showed an adverse balance of Yen 7,600,000. Together with the import excess of Yen 129,300,000 in visible trade, therefore, the international accounts of the country last year were unfavorable to an extent of Yen 136,900,000.

Compared with the 1933 receivable balance of Yen 12,900,000, the *Japan Chronicle* says the present result makes a disappointingly poor show. A detailed survey of the invisible trade accounts, however, reveals that the position need not be viewed in too pessimistic a light. It shows that the adverse balance was caused chiefly by increased payments in the extraordinary accounts and that, as far as the ordinary accounts are concerned, there was a moderate improvement.

The receipts in the ordinary accounts witnessed an increase of Yen 88,600,000, the principal sources of this increased revenue being overseas shipping services, remittances from Japanese abroad and the much brisker tourist trade. As regards payments, there was a fairly heavy decrease in interest and dividends on Japanese securities possesed by Japanese nationals, as such holdings declined and and because of the recovery of the exchange. Government payments abroad, including Manchukuo, also showed a slight decrease. There was thus a net shrinkage of Yen 2,100,000 on the payments side.

Hirota Wants to Reopen Japan-Netherland East Indies Trade Talks

Apparently seeking to head off a serious shipping rate war between Japanese and Netherlands lines operating the Far East, Koki Hirota, Minister of Foreign Affairs, was reported Sept. 4 to be about to instruct Saichiro Koshida, Japanese Consul-General at Batavia, to propose the reopening of the inter-governmental trade talks that were adjourned on Dec. 26 last year. The inauguration on Sept. 1 of the service to the Netherlands East-Indies by the Nanyo Kaiun Kabushiki Kaisha, a Government sponsored shipping concern, was credited with having prompted Mr. Hirota to take action. If left alone, Gaimusho officials are said to fear, the competition between Japanese and Netherlands shipping firms may lead to disastrous results for both nations. So far the Netherlands line has had the best of the competition.

Chiang Kai-shek Attends Anti-Red Conferences

BY THE REVIEW'S HANKOW CORRESPONDENT

WITH the bulk of the Red forces swept over the borders of Szechwan into Kansu and Shensi, Generalissimo Chiang Kai-shek is now definitely turning his attention to the early suppression of the Red menace in the western Hupeh and northern Hunan area and in the Shensi area, where the Reds have been growing rather sleek and fat of late. Flying to the western Hupeh city of Ichang, Generalissimo Chiang on Sept. 7 conferred with Gen. Hsu Yuan-chuan, commander of the 10th Army, operating against the Reds in southwestern Hupeh, and with Gen. Ho Chen-chun, Bandit Suppression Commissioner of Hupeh, Hunan, and Szechwan.

Ho Lung Reported Moving North Into Hupeh

Apparently having attained his immediate objective in the Changteh area, the Red leader, Ho Lung and his confederates have moved northward toward southern Hupeh. Rumor has it that Ansiang on the Tung-ting Lake had been taken by the Reds.

Kienli, Southern Hupeh, Threatened by Reds

Telegraphic news from Kienli, on the Yangtze river, a short distance southwest of Hankow, urges foreigners not to return due to an anticipated attack by Reds, who were coming closer than would be comfortable for most civilized persons. This place was evacuated by foreigners last June. Now the Reds have made a complete circle to western Hupeh, northwestern Hunan, and are now back on their regular circuit. One wonders whether the government troops will exert themselves and stop these unauthorized "circuit riders" to the lasting good of the areas affected and to the maintenance of law and order. Generally, the Generalissimo means business, and if he has taken personal charge of this anti-red campaign, we may see some real fighting and sacrificing of men to gain a lasting victory over Ho Lung, who seems to delight in sticking his tongue out at the government troops all over the place. But it will not be easy to worst Ho Lung and Hsiao Keh, as their men have been used to hard knocks and will fight desperately when up against the wall. However, nothing short of bringing these two to terms should be even discussed by military leaders. Too long have they been an intolerable burden on the people of southern Hupeh and northern Hunan.

Wuhan Air Defense Exhibition

The inaugural ceremony of the Wuhan Air Defense Exhibition took place last Sunday, Sept. 8th, in Chung-shan Park, Hankow. Prominent Chinese officials, provincial and municipal, made speeches dealing with the necessity of being prepared to meet the enemy also in the air. Governor Chang Chun and Mayor Wu of Hankow emphasized the importance of being prepared with anti-aircraft equipment.

One exhibit is located in the New Market Building on Chung Shan Road, where pictures of aerial warfare, anti-aircraft defense schemes, models of various types of aircraft, anti-aircraft guns, aircraft detectors, gas masks, etc., are on display and open to the general public.

Special feature of the exhibition will be the showing of air defense films at several of the local theaters in Hankow. These films will depict aerial defense maneuvers recently undertaken in foreign countries. The idea of the promoters is to develop air-consciousness among the educated populace of the three Wuhan cities.

Part of the exhibit is at the Liu Yuan and consists of various types of airplanes, an assortment of airplane models, and a variety of flying paraphernalia. This section is drawing a huge crowd. Besides this another method of propaganda was the use of trucks decorated for the occasion and carrying groups of speakers and bands to various sections of the city, the flying banners and bunting duly inscribed with mottoes stressing the importance of aviation. Bill boards all over the city made a united appeal for support of the government's air program.

Generalissimo Flies to Sian

After a brief conference at Ichang, Hupeh, Generalissimo Chiang Kai-shek flew, on Sept. 7, to Sianfu, Shensi, where he will confer with Marshal Chang Hsueh-liang and local generals regarding the Red situation in Shensi. The situation is growng somewhat alarming, due to the heavy influx of Reds from Szechwan, after the repeated attacks of Gen. Chiang Kai-shek and his colleagues.

The deatils of an active campaign against the Reds will be discussed with Gen. Yung Hu-chen, Bandit Suppression Commissioner in that area, and with Gen. Yu Hsueh-chiung, commander of the Northeastern troops recently brought down from Tientsin. The intensity of the Generalissimo's feeling in the matter of ridding the country of Reds augurs well for the future. Let us hope he will meet with ready response from his subordinates.

North Hunan Still in the Grip of the Reds

Although Changteh has been saved from the Reds this time, due to the fact that reinforcements arrived in time, the situation in northern Hunan is anything but rosy at the moment. The Reds under the leadership of Ho Lung have taken what they wanted. If they retreat to their mountain fastnesses now, it is with sufficient salt and rice to carry on for another winter. It is rumored that they intend to ensconce themselves for the winter in one of the minor hsien cities in northern Hunan.

Reds Rob Ammunition-Laden Trucks on Shasi-Lihsien Road

That the Reds are intercepting truck-loads of government ammunition and rifles leaving Shasi, on the Yangtze, for points south in Hunan on the Shasi-Lihsien motor highway, has been reported here in Hankow. During their recent drives to Tsingshih, Anfu, Lihsien and other places, the Reds overwhelmed the local guards and in many places seized quantities of arms and ammunition.

Gen. Liu, the recently installed Bandit Suppression Commissioner in place of Gen. Ho Chien, has made Shenchow, west of Changteh, his headquarters. There seems to be a willingness to wait and see what this new man can do. "New brooms sweep best."

Hankow, Sept. 9, 1935.

Italians to Start War Against Ethiopia September 24

ADVICES from Addis Ababa state that the Ethiopians have intercepted Italian army messages which indicate that the Italians will start their offensive on September 24. Movements of Italian troops in Eritrea were announced in a communique issued in Addis Ababa Sept. 9. Several Ethiopian provinces report that Italian forces are being massed along the frontier.

Revenge for Adowa, where the Italians were severely defeated by the Abyssinians in 1896, will be the first aim of Italy in the event of war with Ethiopia. It is understood that the first attack will be made from the north, where General del Bono is in command, and will continue onwards from Adowa to the Axsum district, where the Abyssinian chieftain, Ras Seyoum, heads a force reliably estimated to number 35,000 men. Ras Seyoum is likely to refuse battle for some time so as to allow the Italians to advance.

The Italians are said to have 100,000 white troops in Eritrea in addition to thousands of native troops, but they run the risk of having their flanks harassed by Ethiopia's guerilla tactics as their lines lengthen.

It is known that 50,000 Ethiopian troops, all reported to be well armed, are stationed near Gondar.

In the south, General Graziani is likely to advance warily with 100,000 men, but the Italian troops are suffering severely from the intense heat and reinforcements are likely to be needed before a real attack can be launched.

Ethiopia's tactics in the south are uncertain, but the main stand will probably be made before the key city of Harrar.

The Ethiopian Government has engaged the services of a Swiss military mission. A protest against Italy's alleged anti-British activities in Egypt has been lodged with the Rome Government by Great Britain. The British Government is wary of propaganda conducted in Egypt and of the attitude shown by Egyptian public opinion trying to exploit the present political situation with a view to demanding Great Britain's recognition of Egypt's independence.

Concrete evidence of the vast scale of war preparations in East Africa was furnished by figures published in Paris, Sept. 8 showing that during July, 2,697,788 net tons passed through the Suez Canal—an increase of 232,788 net tons over the same month last year. Of war vessels and military transport ships there were no less than 58 times as much as in the previous year.

The Status of the Suez Canal

In connection with the status of the Suez Canal, it is to be noted that the neutrality of the Canal is guaranteed by international agreement, but that would in no way prevent the League of Nations, if it was so disposed, from forbidding the Italians to send their ships through the Canal. All the League members would have to do is to prevent the Italian ships *from nearing the entrance to the Canal*. However, there is no indication that the League will take any such action.

Oil Concession in Ethiopia Cancelled in Cause of Peace

Cornelius Van H. Engert, American charge d'affaires at Addis Ababa, Sept. 7 called on Emperor Haile Selassie, assuring him that the decision to cancel the 75-year oil concession granted the African Exploration and Development Corporation by the Abyssinian government last week was solely inspired by a desire to maintain international peace. The cancellation was effected after the United States State Department had conferred with executives of Secony-Vacuum, an American company involved in the gigantic deal. Mr. Engert also informed the Negus that the friendship of the United States for Abyssinia remained unaffected by the conclusion and cancellation of the contract.

Soviets Have Most Powerful Army in the World

The following special correspondence from Moscow appeared in the "Japan Advertiser" Sept. 3.

Outbreak of war on either the eastern or western front of the Soviet Union today would find said country in a far stronger position, both militarily and economically, than a year ago. Although the leaders in the Kremlin are keenly aware that war would dam the current of economic progress and expose the Communist regime to danger, they have less reason for fear than at any time since the revolution. The Red Army has grown to be the most powerful—if not the most efficient—land force in the world. And behind it stands a bulwark of productive farms and factories to feed and supply the fighting machine.

The transportation system continues to be the weak spot in Russia's armor. But even that is improving—slowly, to be sure, but steadily.

From a force of about 600,000 men, the Red Army has been expanded within the last year to 940,000. Military experts believe the Red Air Force now includes some 4,000 airplanes. In speed and flying range they are inferior generally to American, British or Italian planes, but their mere number makes them formidable. Moreover, they are manned by pilots of first-rate skill and bravery.

On the sea, Russia still is a third-class Power. Its capital ships are of a type considered obsolete by the American, Britsh and Japanese navies 15 years ago. But in the shipyards of the Baltic and Pacific a considerable number of light submarines and destroyers are under construction. These types of vessels are ideally suited for coast defense. Because of Russia's position as a continental Power, nearly self-sufficient economically and with no overseas possessions to defend, a navy is not so important to it as to a nation with far-flung colonies like Great Britain or America. The mission of a Soviet navy is only to prevent the landing of hostile troops.

Industrial progress during the last year has equalled, if not surpassed, the speed of military preparedness. According to current official statistics, the industrial output of the Soviet Union during the last five months inereased by 20.2 per cent over the corresponding period in 1934.

Blast furnaces and factories now are operating where a few years ago were bleak steppes. Soviet industy still lags in efficiency behind that of Germany or America, but the days of amusing (or tragic) and ruinous handling of complicated machines are over. Slowly unskilled peasants have been converted into fairly able factory operatives. On the collective farms alone is the mishandling of machines still an acute problem. The Soviet press reports that in a certain district possessing some 900 combines, less than one-twentieth are functioning.

Soviet Envoy Asks Release of Harbin Residents

Koki Hirota, Japanese Minister for Foreign Affairs, Sept. 6 rejected the Soviet protest against the alleged illegal arrest of several Soviet citizens residing in Harbin by Manchukuo authorities in connection with the forthcoming visit to the northern city of Emperor Kangte. The Soviet protest declared that Manchukuo authorities carried out a systematic search of all homes of Soviet citizens and arrested most of them "for investigation," on Sept. 2 and 3. Mr. Yureneff declared he had asked for the immediate release of the persons under custody. According to press reports from Hsinking, more than 200 persons, including many Soviet citizens, were taken into custody by Manchukuo officials in preparation for the visit of Emperor Kangte, who is to hold the first naval review since he ascended to the Orchid Throne.

Chinese Members on League Committees Are Shuffled

A mild sensation was created Geneva Sept. 9 as a result of Soviet Russia's failure to secure a seat on the Bureau of the Assembly of the League of Nations, which opened its session on said date.

The distribution of the Chinese members on various of the most important League of Nations commissions has been considerably revised with the announcement of the League Assembly's recent repartition of the commissions during the early sessions of its fall reunion.

The present situation among the Chinese delegates is as follows:—

Commission on Juridical and Constitutional Questions: Quo Tai-chi, the Chinese Ambassador to London, with Messrs. Liang Lung and Liu Chen.

Commission on Economic and Technical Questions: Dr. W. W. Yen, Chinese Ambassador to the U.S.S.R., with Messrs. Wunz Kung, Wu Nan-yu and Lu Cheng-an.

Commission on the Budget: T. Y. Lo, Minister to Denmark, with Lin Chieh.

Commission on Social Questions: Dr. Victor Hoo, Minister to Switzerland, with Messrs. Hsiao Chi Yung, Tau Pao-shen, and Chung Ting, and Madame Hilda Yen Chen.

Commission on Political Questions: Dr. W. W. Yen, with Doctors Tsien Tai and K. S. Wei, and Mr. Pao Hua-kuo.

Steel Stocks Boom in Tokyo as War Clouds Loom

Stocks on the Tokyo Exchange have been booming of late apparently in anticipation of an early outbreak of hostilities between Italy and Ethiopia. Short term debentures of the Nippon Steel Tube Company gained by Yen 1.20 in the morning transactions, on Sept. 5, while shipping, cotton spinning and rayon steels have advanced generally.

An Ethiopian Is Interviewed in Tokyo

Africano Thomas, the only Ethiopian in Japan's capital, is quoted in an interview in the *Osaka Mainichi* as saying that the Italians can never conquer his country, even with modern weapons of warfare, as everybody, of both sexes, above the age of eight is ready to fight.

Before ending the conversation, Mr. Thomas declared that "Japan is the only country among the civilized nations of the world where a black man can feel free and be treated like a human being."

Italians to Recruit Chinese Coolies for Africa?

A *Rengo* message from Shanghai published in the *Japan Times* Sept. 4 says that a sensation was created among Chinese citizens who it was announced by the Italian Consulate-General that 200 Chinese coolies had been invited for service in East Africa in connection with the present Italo-Ethiopian dispute. Handbills inviting Chinese coolies were spread by agents of the Italian Consulate-General in quarters where Chinese coolies flock. According to the announcement by the Italian Consulate, these coolies will be employed as military workers for Italian troops in East Africa to carry arms and ammunition. This, it is to be noted, is the story as told by the Japanese correspondents.

British Propose Mandate for Ethiopia

The British delegation to Geneva Sept. 10 proposed a League of Nations mandate over Abyssinia. The Emperor of Abyssinia has placed himself entirely in the hands of the League, and, it is presumed, will accept whatever decision is made, provided the territorial integrity and political independence of his country are not affected. Great Britain has also declared her insistence that Abyssinia be allowed freedom in the matter of accepting or rejecting any proposals made for a solution of the dispute.

Kangte River Fleet Is Reviewed at Harbin by Pu Yi

Emperor Kangte reviewed the river fleet of the Manchukuo government consisting of thirteen gunboats at Harbin Sept. 9. He took the salute of the men and officers who manned the ten vessels anchored in two rows in the Sungari River. Flanking him were Gen. Jiro Minami; Rear-Admiral Shizue Tsuda; Gen. Wu Chih-shan, Manchukuo Minister of War; Maj.-Gen. Koichi Sasaki, supreme advisor to the Manchukuo Ministry of War; Gen. Chang Hai-peng, aide-de-camp to Emperor Kangte; Vice-Admiral Yin Chi-kang, commander of the River Defence Fleet; and others.

Imperial salutes of 101 guns were fired and the ceremony took 25 minutes.

Three Hundred Bandits Surprised While Looting Village

Bandits pillaging a village near Chienping, Jehol Province, were taken by surprise by Japanese troops Sept. 2 and reportedly scattered with heavy losses.

Armored Car to Be Attached to Through Trains on Peiping-Mukden Railway

Pending the completion of a special armored car, that will be attached to all through trains operating between Peiping and Mukden, 40 railway police will be carried in an ordinary car, the Peiping-Mukden Railway authorities announced at Shanhaikwan Sept. 7. The armored car is being built at the Tongshan works of the railway. This special protection is being provided in compliance with a Japanese demand that followed the hold-up of a through train near Shanhaikwan on Aug. 16 by a group of bandits who traveled masquerading as passengers.

Manchurian Cotton Farmers Oppose Japanese Company's Plan

The establishment of a Yen 10,000,000 company for the purpose of planting raw cotton in South Manchuria is being planned by Osaka trade interests, says the *Yomiuri*. In the fear, however, that the new scheme will deal a serious blow to their business, many Manchu cotton growers are petitioning the Commerce Department of the Manchukuo Government for its disapproval. The Manchukuo Government authorities will shortly summon representatives of the cotton interests to seek a detailed explanation of their position and decide their attitude towards the above Japanese scheme.

China International Famine Relief Commission

1935 Kiang-Ho Flood Relief Fund

Once again China is in the grip of disastrous floods. Millions along the Yangtze and Yellow river valleys are made homeless, and are in urgent need of food, clothing and shelter. The suffering that is already intense and widespread is bound to increase with time.

According to expert reports, the authorities in the flooded regions are doing excellently in carrying out emergency relief measures. But before long it will be necessary to send these hundreds of thousands of refugees back to their homes, to supply them with funds to buy new animals and implements, and to help them get on their feet again.

With the approval of the Ministry of the Interior of the Chinese Government, the China International Famine Relief Commission has now launched a nation-wide financial campaign, the proceeds of which will be devoted to flood relief and farm rehabilitation.

In response to our appeal, many Chinese have already sent in their contributions. But because of the stupendous nature of the present crisis, China must depend upon help from her foreign friends as well. If you have not yet given your contribution, will you fill out the blank below and send it to us at once?

To C. I. F. R. C.

505 Honan Road,

Shanghai (Telegraphic address: Yarel)

Desiring to help the hundreds of thousands of flood victims in China this year, I hereby agree to contribute the sum of Dollars ..... towards the 1935 Kiang-Ho Flood Relief Fund, for which sum please issue a formal receipt.

Signed .....

Adress .....

Space kindly donated by the Bank of Communications

中國華洋義賑救災總會
簡稱（華洋義賑總會）
辦理江河水災賑務
勸募急賑敬請
各界慨解仁囊
萬千災民 延命待救
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收捐款處 收款時概給部印收據
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電話掛號 中文 二〇一一
英文 YAREL

The Italo-Abyssinian Dispute—As a Chinese Sees It

BY PAUL K. WHANG (汪仲芳)

ITALY, just as in the case of Japan, has told the world that her own land is not big enough to accommodate her ever-increasing population, which is now being produced on the basis of mass production. It is too bad that since the discovery of America by Columbus in 1492, not one single tract of land has been discovered. Mankind may be intelligent enough to invent many things to make life comfortable and interesting, but is not intelligent enough to discover a means whereby the oceans and seas can be transformed into habitable land. The available land, which is said to constitute only one-fourth part of the earth, is now either owned or colonized by more than fifty countries, large and small. Both Italy and Japan have awakened too late from their slumber to play this game of land-grabbing, because there is no longer any vacant land to grab. It is only natural that they should use force to grab from those who are least able to defend themselves.

Japan is fortunate in having big, but weak, China as her neighbor. By means of one pretext or another, she has lopped Manchuria and Jehol off China and set up a political hegemony in North China. But Italy is not as fortunately situated as Japan. Europe has already been overcrowded with large and small countries and the formation of alliances and ententes among them has made it impossible for an ambitious country like Italy to extend her territory in any direction without coming into collision with a major Power. In these circumstances, she has to look across the Mediterranean and find an outlet in Africa. Africa, although a vast continent, is also full of colonial Powers, including Italy herself. Fortunately, between two Italian colonies, Eritrea and Italian Somaliland, there is still a piece of land, which is claimed by no one but "uncivilized people," hence the present flare-up.

Strong Man of Italy Minces No Words

Signor Benito Mussolini, leading spirit of the new Italy, is now determined to carry out his wish to turn Abyssinia into an Italian protectorate, notwithstanding the good offices of the League of Nations and the mediation of England and France. This strong man of Italy has minced no words in acquainting the world of his aim to conquer an "uncivilized people" so as to make the world safe for civilized people. But what really stimulates his appetite in devouring this little African Empire is its vast oil reserves. As oil has made both the U. S. and England rich and strong, so it can also give the needed wealth and strength to poor Italy. His statements have even surpassed those uttered by the eloquent Japanese warlords both in boldness and in bluntness. The veteran statesmen and astute diplomats in England and France have found it difficult to reason with a personality, who has but a single purpose, a strong head and a firm determination. It is now generally agreed that only a miracle can prevent a war in the African jungle.

Abyssinia is described as a sovereign country in a continent which is known as a free hunting ground for the whites. She has succeeded in maintaining her independence not because of her own military strength, but because of the inability of the colonial Powers to reach an agreement to partition this tract of land which is very rich in oil and mineral reserves. In spite of her financial and military weakness, she, however, is undaunted by the big sword wielded by Il Duce. According to news reports, the Ethiopians are not likely to pursue a policy of non-resistance in emulation of China's noble example. Emperor Haile Selassie clad in his own picturesque costume may not be as attractive in appearance as Signor Mussolini attired in his bright uniform, but he has certainly proved himself just as courageous, if not as defiant, as the latter. The Negus and his "uncivilized people" seem to have a high sense of national honor and are said to be ready to sacrifice all they have to defend their country. It is, to quote a familiar Chinese saying, another case of an egg against a stone, and the outcome of the clash can be easily foretold. However, the Italian soldiers may not have as easy a time in conquering the Ethiopians as the Japanese had in walking over the Chinese. Apart from the unhealthy climate and inaccessible terrain, these "uncivilized people" have an aptitude for guerilla warfare. Therefore Il Duce's mechanized military machine may have to pay a great price for this conquest.

Abyssinia now has the world's sympathy; but sympathy alone will not save her from the fate which is hovering over her head. Even Japan, whose hands are still smeared with Chinese blood, has forgotten her former self and come out in the open to denounce Italy's forthcoming military adventure. Of all the nations, England seems to be most anxious to avert this war in Africa, and her statesmen and diplomats have raked their brains to find a formula for peaceful settlement even to the extent of proposing to give Italy a few tracts of land owned by her in Africa. That England, who assumed an attitude of indifference and aloofness during the Manchurian Affair, should interest herself so much in the present Italo-Abyssinian dispute sounds rather strange, but it must be remembered that what has caused great concern to England is neither world peace, nor the welfare of the Ethiopians, but her own interests in Africa. A "retired burglar" does not like to see the advent of a new burglar to menace his already established interests.

Woe to the League of Nations, which has been confronted with another crisis. The so-called world peace machinery has not yet recovered from the staggering blow delivered by Japan, and therefore can not be expected to survive, should Italy choose to deal it another deadly blow at this time. The present Italian defiance, it must be said, is but a natural sequence of its impotence to settle the Manchurian dispute. Had the League, backed up by the leading Powers, been able to enforce its recommendations and impose due punishment on the culprit of the Manchurian Affair, it would not have come to its present deplorable position, because Italy would not venture totally to disregard its appeals and recommendations as she is now doing. In one sense, the failure of the League in thwarting Japanese ambition has very much encouraged Italy to embark on the same adventure at the present time. What is the use to talk about applying international sanctions against Italy, when this talk can never be translated into action? Why should countries of the world contribute money to supporting an organ which can not serve their purposes?

China is situated too far away from the present storm center and too much occupied with her own distress to interest herself in this Italo-Abyssinian dispute, but having just had the same experience with foreign aggression, she naturally has a great sympathy with the present plight of the Ethiopians. It is a great disappointment to find that Italy is following the Japanese example in pursuing a policy of self-aggrandizement. During the past few years, China's relations with Italy, both diplomatically and economically, have been closer than ever before. We, the Chinese people, have always admired Signor Mussolini for his vigor and ability in making Italy into one of the major Powers, looked upon him as an anchor of future world peace and expected him to be nothing less than an enlightened international leader who would uphold justice and right. Nothing discourages us more than to discover that this promising leader should turn out to be an arch-imperialist, whose wide ambitions are now casting a long and black shadow over the world peace. The greatness of a country, let us remind him, can not be made by military conquests only. Italy may have an easy time in subjugating the Ethiopians, but what glory can she get out of this military conquest? On the other hand, she, just as in the case of Japan, would only make herself an undesirable member in the family of nations.

Ethiopians Will Defend Country

In the meantime, we can not but feel ashamed of our ignominious example in view of what the Ethiopians are going to do to defend their country. Abyssinia is a very small country with a very small population and her army is not only smaller in number but even poorer in militaty equipment than our soldiers, but the Ethiopians realize that they should not give away an inch of their territory without fighting. They may not be able to successfully stem the tide of the Italian invasion, but their patriotism and courage should be universally applauded. How can we justify ourselves in giving up our Manchuria and Jehol without putting up any semblance of resistance? Can it be that our leaders have not the same sense of national honor and patriotism as the Emperor of an "uncivilized people"? If China's thousand years of civilization make her a coward, then this civilization is a curse to her.

China has, of course, no direct interest in the forthcoming war between Italy and Abyssinia. But once this war starts, it has every possibility of becoming a general European war. England and France may do their best to localize the conflict, but should the war continue longer than six months, they may find it impossible to stand outside the arena and the center of war may all of a sudden shift from Africa to Europe. Europe has already been considered as a tinder-box and a little spark may cause a great conflagration sweeping all over Europe. With world attention concentrating on developments in Africa and Europe, our dear neighbors will have a freer hand in doing what they want in China. It may be recalled that the famous Twenty-One Demands were thrust upon China during the World War. Who can tell that the Japanese will not seize a future opportunity to present another Twenty-One Demands to China? Therefore in watching the fire across the river, we should not forget that there may be a fire in our own home and in showing our pity for the Ethiopians, we should remember that our present position is even more precarious and therefore more pitiable than that of Abyssinia.

NATIONAL STATE LOTTERY ADMINISTRATION

LOTTERY NO. 14

DRAWN AT THE CANIDROME, SHANGHAI, 6th SEPTEMBER, 1935

1st PRIZE: (1 of $250,000) **151594**

2nd PRIZE: (4 of $50,000 each) **061177 094949 150255 195918**

3rd PRIZE: (20 of $10,000 each)

008312	119552	184002	212418	254008
015742	133299	191658	212427	259754
098635	173982	205986	217824	296200
098969	177199	207490	248154	296212

4th PRIZE: (100 of $2,000 each)

000702	036664	064093	085806	112860	140291	167862	198320	237083	265720
002714	040372	067445	092293	113605	142438	178713	203609	239738	269952
006195	041575	072358	092894	115670	146605	179210	204530	245152	274869
010460	047176	074730	095591	117678	150810	179407	212930	246433	275784
017898	047316	074812	095810	118200	154143	180303	217874	250914	276668
018610	050040	078338	096267	119410	155378	180758	222424	252586	277798
027102	051797	078771	098657	120017	156011	180979	227829	255544	285167
029963	052135	082810	100987	133155	156523	186438	230721	261093	289213
033167	055670	084570	103438	135121	156548	195163	233446	261676	292842
035597	058754	085030	111459	137901	157446	198183	235422	261754	298603

5th PRIZE: (300 of $500 each) **All numbers ending with 338**

(Numbers whose last three figures correspond to a specially drawn number)

6th PRIZE: (600 of $100 each) **All numbers ending with 206 or 927**

(Numbers whose last three figures correspond to either of two specially drawn numbers)

7th PRIZE: (2,999 of $50 each) **All numbers ending with 94**

(Numbers whose last two figures correspond to the last two figures of the First Prize number)

8th PRIZE: (27,000 of $10 each) **All numbers ending with 4**

(Numbers whose last figure corresponds to the last figure of the First Prize number)

PRIMARY APPROXIMATION PRIZE: (2 of $6,000 each)

(One number immediately preceding and one number immediately following, numerically, the First Prize number) **151593 151595**

SECONDARY APPROXIMATION PRIZE: (8 of $1,000 each)

(One number immediately preceding and one number immediately following, numerically, each of the four Second Prize numbers)

061176	094948	150254	195917
061178	094950	150256	195919

Holders of prize winning tickets may receive payment on and after Saturday, 14th September, 1935, at the Central Bank of China, Bank of China and Bank of Communications or at any of their branches.

Winners of Prizes Nos. 1, 2, 3 or 4 are required to hand their tickets to any one of the above-named banks or their branches for transmission to this Office for verification.

Winners of Approximation Prizes are also required to follow the same procedure.

Winners of Prizes Nos. 5, 6, 7 or 8 will be paid in cash upon presentation of their tickets.

Tickets winning Prize No. 7 are not entitled to Prize No. 8.

Prizes unclaimed after 29th February, 1936 will be forfeited.

Shanghai, 7th September, 1935.

NEXT DRAWING: OCT. 4, 1935

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The Pressing Problem of Agriculture in China*

BY D. Y. LIN, (凌道揚)

THE salient facts for the understanding and appreciation of some of the real problems confronting the Chinese farmers to-day are:

1. The problem of agriculture in China with reference to her land.
2. The problem of agriculture in China with reference to her population.
3. The problem of agriculture in China with reference to her production.

Lin Tao-yang, (D. Y. Lin) Agricultural expert and government official, Chief of Bureau of Agriculture and Forestry, of the Ministry of Industries, Nanking.

Without taking into consideration Outer Mongolia; Tibet, Ching Hai and Sinkiang which for the most part are little known and undeveloped agriculturally, we find there are in China only 1,327,185,000 mow or approximately 204,182,300 acres, of land under cultivation.

On the basis of the total population of the country, this limited area of cultivated land works out to 3.4 mow per person, or on the basis of the total farm population, there is only 4 mow per person. The smallness of these per capita areas is obvious when we come to think that in the United States there are 19 mow to a person according to total population and as many as 71 mow to a person according to total farm population.

In China, about 29% of her land is physically suitable for crop production, but the total amount of land actually under cultivation for the support of her teeming millions is only 11% of her total land area.

It is estimated that in China about 40% of the land is either too steep, too cold, or too dry for agricultural crop production, but is quite suitable for forest production and/or animal husbandry. This may be called non-agricultural land. Of this non-agricultural land only 22% is forested, while 78% of it is still undeveloped. This means that over 31% of the total land area of China is suitable for forestry or animal husbandry and yet is not utilized for any productive purpose. The 40% of non-agricultural land in China may be compared to 41% of the same kind of land in the United States. Unfortunately the relatively small portions of forest area in China are located for the most part in places difficult of access; in America, furthermore, approximately 80% of its non-agricultural land is forested as compared with only 22% in China.

Although much of the undeveloped, bare land is found in northeastern and northwestern provinces where population is sparse and communication difficult, yet according to provincial statistics there are vast areas of such undeveloped land or huang-ti within accessible places in the 18 provinces. According to the Economic Year Book for 1934 published by the Ministry of Industries, the total area of huang-ti in these provinces is put at 640,808,082 mow, or approximately half of the total area under cultivation.

It may be noted also that more than 90% of the huang-ti is classified as ping-ti or flat-land, so it is likely suitable for flat-land agriculture.

To recapitulate: China has total area of 4,314,097 square miles or aproximately 17,946,643,000 mow. Roughly 29% of this vast area is physically available for agricultural crop production. Of this however only a third is under cultivation while the two-thirds have been lying idle, and no doubt should be developed.

The non-agricultural area which should be devoted to forest production and to grazing constitutes 40% of the total land area, of which only 22% is forested while the balance is still undeveloped. In other words, China has altogether 70% of her total land area which is physically available for agriculture, grazing and forestry, but only a very small percentage of this is utilized.

The existence of these millions of acres of undeveloped agricultural and non-agricultural land is a challenge to all who are interested in the welfare of China.

Rural Population Comprises 80 Percent of Total

More than 80% of the population of China is rural, which means that if China's total population is put at 450,000,000, her rural population would be 360,000,000. In the U.S.A. the rural population is 32,242,000, which is only 26% of her total population. In other words, China's rural population is eleven times larger than that of the United States. Yet on the other hand the total cultivated area for the American farmers is twice that for the Chinese farmers.

With respect to land tenure or land ownership, China's rural population may be divided into the following three classes:

1. Those who own land	45%
2. Those who are tenants	31%
3. Those who are part owners	23%

If half of the part owners who rent land from others were to be classified as tenants, we may say over 40% of the farmers in China to-day are landless farmers or tenants. Although there is no 'landed aristocracy' in China, for the land owner and the tenant are generally parties to an agreement and not members of different classes or castes based on privileges and subordination, yet in view of the present-day national cry that 'each tiller of the soil shall possess his own fields,' such a condition of land ownership and tenancy is most serious and should be remedied.

Since only 11% of the total land area in China is under cultivation, and since 80% of her total population is rural, it means that 80% of the population are trying to live on 11% of the territory. The size of average individual farm holdings, therefore, must necessarily be extremely small. According to Government statisties which give the number of farm holdings for nearly all the provinces in China, there are 17,624,480 rural families having farms less than 10 mow in size; 13,125,219 families having farms from 11 to 29 mow in size; and 9,847,283 families having farms from 30 to 49 mow in size. The aggregate number of these 3 classes of rural families represent 83% of the total number of farm holdings in China; while only 17% of the rural families have holdings over 50 mow in size.

Generally 24.0 mow per farm is given as the average holding for the country as a whole. This, however, varies widely from one part of China to another. In the northeastern provinces the average farm holding is 118 mow, while in North China it is about 25 mow, and in the Yangtse region and south it is only a little over 8 mow.

Although the average density of population for the whole of China is only 102 people per square mile, the population for the cultivated area is certainly much too dense, being over 1,350 per square mile. No doubt the figure would be even larger if only the provinces south of Yangtse were taken into consideration. For instance, Kwangtung has 2,875 people per square mile for her cultivated area.

According to Sir Thomas Middleton, the average area of cultivated land required to support one person in Europe and America varies from 1.3 to 2.5 acres or approximately 8.5 to 16.2 mow. This may not be applicable to China, but it certainly furnishes data for comparison. China's average area of cultivated land per capita, as has been brought out, is only 3.4 mow, and this is no doubt too small for the maintenance of one person. The production of 3 or 4 mow of land, even in normal years, can only be sufficient to enable a farmer to lead a bare existence. Such tiny income or production is too small to enable him to save, or even to provide a decent living.

China's Agricultural Production

On account of having too many people depending on a limited area of cultivated land, the Chinese farmers have been forced to apply intensive methods of cultivation, in order to produce enough for the support of entire population. It is said that 5 to 23 times as much labor is applied to the average acre of crop land in China as in the United States. Chinese agriculture is indeed 'over-manned'.

Any one who has travelled in the interior of China will appreciate how laborious and intensive Chinese agricultural practices are. Everything done on the farm is done in a most minute and painstaking manner. The laborious ways in which rice and other crops are cultivated, the minute methods of protection and fertilization, the innumerable systems of canals and irrigation works, the huge embankments built to protect land against floods, the millions of tiny crop fields resembling little gardens, the wonderful methods of 'multiple cropping' practised to produce several crops on same area within a period of 12 months—all this shows how extremely intensive Chinese agriculture is, and how in the midst of trials and natural calamities, the 360,000,000 people, quiet and industrious, are toiling daily just to keep the life of a nation going.

Western agriculture is extensive and rests on science and mechanical invention. Chinese agriculture is intensive and is based on centuries of experience and venerable tradition. To make his simple primitive tools work as modern tractors, the

Part of a speech delivered before the Tsingtao Lions Club, Aug. 24, 1935.

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Chinese farmer has to put in 5 to 23 times as much human labor. The triumphs of modern extensive farming are easy, while the triumphs of intensive Chinese agriculture are hardearned and represent a tremendous amount of human cost or human labor.

China's Most Urgent Need

It is obvious therefore that the greatest of all agricultural needs in China to-day is not higher per acre production on the farm, for the per acre production is high enough, but higher per capita production. There must be more income per person or per family for the Chinese farmers. The Chinese families are large (average 5.5 persons to a family) and there must be more margin left after their bare necessities are met, in order to make their existence less precarious, and their life more worth living.

To effect a higher per capita production on the farm, there must be more cultivated land, more income and capital for the 369,000,000 people. The 1,827,187,000 mow of land which the Chinese farmers have been cultivating have been in every way over-taxed and are insufficient for the support of the teeming millions. There must be more credit facilities or capital to enable the farmers to cultivate more land, to develop more side or 'light' industries and to have a larger per capita production or income.

The need of more capital and more room to feed the increasing population' therefore, is most urgent. Unles this fundamental need is taken care of, we cannot hope to increase the per capita production of the farmers, and the standard of life of the mass of the population will always remain depressed by economic forces.

August 24, 1935.

World Consumption of U. S. Cotton Declines

According to the Cotton Exchange Service, the revised estimates of the world consumption of American cotton for the season ended July 31 amounted to 11,249,000 bales, compared with 13,680,000 bales for the previous season. The carry-over of American cotton on July 31 is estimated at 9,043,000 bales, compared with the previous estimate of 10,746,000 bales.

Tsingtao Being Rapidly Developed as Cotton Spinning Center

The *Chugai Shogyo* says that Shantung Province, with Tsingtao as center, bids fair to eclipse Shanghai in cotton spinning. As shown in the following table, there are already six Japanese mills in Tsingtao. The Dah Kong Cotton Mill is planning to install 30,000 spindles and 500 looms, the Kung Dah Spinning and Weaving Company 10,000 looms, the Fuji Gasu Spinning Company 100 looms and the Pao Dai Mill 50,090 spindles. Construction of the new mills of the Shanghai Spinning and Weaving Company (controlled by the Toyo Menkwa Kaisha) and the Toyoda Spinning Company will be completed shortly.

Existing Mills	owned by	Spindles
Naigai Wata Tsing Mill	(Naigai Wata)	90,400
Dah Long Cotton Mill	(Dai Nippon Boseki)	101,192
Kung Dah S. & W. Mill	(Kanegafuchi Boseki)	98,672
Fujigasu Cutton Mill	(Fujigasu Boseki)	31.360
Pao Lai Cotton Mill	(Nagasaki Boseki)	40,000
Lung Hsing Cotton Mill	(Nisshin Boseki)	42,660

As regards Chinese a owned mills, there is, in addition to the Wang Sing Spinning & Weaving Company (43,564 spindles), a new mill called the Tung Hsing Spinning Mill which will soon start operations. In Tsinan, there are three Chinese mills, viz., the Lou Foong Mill (28,016 spindles), the Chen Tung Mill (15,000 spindles) and the Chen Fong Mill (12,000 spindles).

Raw cotton production last year in Shantung province was 1,360,000 piculs, or 14 per cent of the total Chinese crop. Efforts are being exerted by the Chinese Government not only to increase production but also it improve the quality.

Mine Loan Not to Infringe on Japanese Rights

Chen Kung-po, Chinese Minister of Industry, Sept. 9 assured Yakichiro Suma, Japanese Consul-General at Nanking that Japanese mining rights in Shantung will not be infringed upon by the agreement for a $10,000,000 loan recently concluded between the Ministry of Industry and McBain Imports Co., Ltd. The advance, arranged through Dr. C. T. Wang, president of the Chinese Coal Mine Owners' Association, is ostensibly designed to aid the industry.

Ataman Semenoff to the Fore Again—Organizing White Russian Forces

(BY THE REVIEW'S HARBIN CORRESPONDENT)

BY THE time this is printed, the foreign population of China will have been swelled by seven "important" White Russians, departed from the land of Manchukuo. Insignificant as is the increase, it is, however, the upshot of a drama enacted here a few days ago, the ultimate result whereof still remains to be seen. The names and political affiliations of these persons follow:—

(1) Ex-General K. K. Akintievsky, chairman of the Military Monarchist Union;

(2) Ex-General E. G. Sichoff, chairman of the Oriental Cossack Union;

(3) Ex-Colonel Belocerkovsky, chief of staff of the Manchurian Section of the All Russian Military Union;

(4) Professor M. P. Golovatcheff, vice-President of the University of St. Vladimir, Harbin, and spiritual leader of the Siberian Autonomist Movement;

(5) Professor Belobrodsky, attached to the same university; and

(6-7) I. F. Brokmilder and L. G. Goroshkevitch, retired officials of the Manchukuo police.

All these persons were arrested on Aug. 15 by the Japanese gendarmery on the grounds of alleged obstruction to the Union of all White Russians in Manchuria under the aegis of the Manchukuo Bureau for Administration of White Russian Affairs in Harbin as well as of alleged intrigues against this institution and its leaders. This Bureau is a "government" institution, organized exclusively for the purpose of administering White Russian affairs in Manchuria, and was, until recently, headed by ex-General V. V. Richkoff (he died rather suddenly on Aug. 22). The unnamed "government" spokesman, explaining this drastic action, said that these seven White Russians had been so punished for their opposition to the views and policies of the "Manchukuo Government" on the Russian question and warned that a similar punishment would be meted out to every-one who would dare to follow in their footsteps.

Such is the announced cause of the arrest and subsequent deportation of these White Russian "leaders." There is, however, a real and more deep-lying cause that led up to this action. It is a long drawn out underground struggle between Ataman G. M. Semenoff's faction and the named leaders—the moderates—for supremacy in White Russian affairs. Ataman Semenoff's faction has never been popular; it is a small group of men previously connected with the Far Eastern Cossack troops (i.e. Trans-Ba kal, Amur and Ussuri); they still consider their former commander, Ataman G. M. Semenoff, as their "leader" and appear to be ready to do whatever is commanded by him. The Japanese affiliations of Ataman Semenoff are very well known and need not be elucidated here; suffice it to mention that, through all these years of exile, he has resided near Dairen in a cottage presented by a "titled" admirer of his in Tokyo. He lives there practically doing nothing—if one doesn't count the changing of wives, which he does approximately once in two years.

White Russians Resent Appointment of Semenoff's Henchmen

The majority of White Russians in Harbin seem to have resented the appointment of Semenoff's henchmen to head the Manchukuo Bureau for Administration of White Russian Affairs in Harbin, called to unite all Russian emigres and to administer their affairs. It seemed strange that Semenoff's group, being insignificant in numbers, ideas and leadership, was called to head such an important institution as the named Bureau, whilst other organizations, incomparably stronger than Semenoff's, were shut out from the Bureau.

The head of this Bureau, the late ex-Gen. V. V. Richkoff, seems to have been an odious figure for the majority of emigres. He sprang out of obscurity, or—rather—was dragged out of it by his chief, Ataman Semenoff, and placed at the head of the named Bureau, overshadowing all other "leaders", who, by virtue of their previous activities amongst the emigres, seemed to have had better chances to head this Bureau than he. Very little is known about the past of this general; it is said that he won some distinction during the Great War, commanding one of the army corps. Like many Russian military men who came to Manchuria, he joined the C. E. R. Police, being once appointed to head the railway police at Manchuli. With the appearance of the Soviets on the railway in 1924, he went into retirement and since then has made his living by all sorts of odd jobs.

Close to him are ex-Gen. A. P. Baksheyeff, Ataman Semenoff's right-hand man, who — as all rumors have it—is to head the White Russian Bureau, vacated since the death of V. V. Richkoff; ex-Gen. V. A. Kislitsin, ex-"Envoy Extraordinary" of Grand Duke Cyril Vladimirovitch in Manchukuo; ex-Gen. K. V. Rodzaevsky, leader of the Russian Fascist Party and editor of the subsidized paper, the *Nash Put*; and so forth, all familiar figures amongst the Whites of Harbin.

All these people constitute a close ring around the Bureau for Administration of White Russian Affairs and hence automatically claim themselves to be political leaders of all emigres residing not only in Manchuria, but in all Far Eastern countries as well. They are hostile to the Paris center of White Russians, which has hitherto claimed the political leadership of all Russian emigres scattered all over the world, including those residing in the Far East.

In this respect, the case of ex-Gen. V. A. Kislitsin appears to be especially interesting. For a number of years he represented Grand Duke Cyril Vladimirovitch, leader of the Russian monarchists and pretender to the Russian Throne, in Manchukuo as his "Envoy Extraordinary" and has done considerable work gathering members to this movement. However, his policy of active hostility against the Soviets, in which he has gone so far as to ally himself and his following with the Japanese—the arch-enemies of the Russian nation—seems to have run counter to the fundamental policy of his principal, the Grand Duke, that the salvation of Russia should come from within and not from without. For this disobedience, V. A. Kislitsin was deprived of his post of "Envoy Extraordinary" in Manchukuo.

It is difficult to understand how this split came about. In his letter of resignation dated July 7, General V. A. Kislitsin explained it by insults hurled at him by the Mladoruss Union, which accused him of having instigated the arrest of D. Dolmatoff, the Union's representative in Harbin. This Union, with headquarters in Paris, appears to be a staunch supporter of Grand Duke Cyril's policy of not fighting the Soviets. Their representative, D. Dolmatoff, is known to have demanded that Kislitsin stop allying himself and the monarchists he represented with the Japanese. As soon as he did this, he was arrested and kept in prison practically without any charge being laid against him. Having been released, he is now recuperating from his exhausting experience while in prison.

Manchukuo Tries to Divorce Russians from Paris

Up to the present, the militant groups of White Russians have been governed from Paris, where are situated the headquarters of many of their organizations. Foremost of them all is the All Russian Military Union, uniting all Russians formerly connected with the Army or Navy. This Union came in prominence some years ago in connection with the kidnapping of their leader, ex-General Kutepoff, carried out in Paris allegedly by parties affiliated with the Soviet O.G.P.U. In Harbin, this Union is headed by ex-General N. Verjbitsky.

It turns out that the fundamental policy of Manchukuo in respect to White Russians is to divorce them from their Paris centers, making them practically independent and self ruling. Obviously, the execution of this policy could not have been carried out without some trouble, as the arrest and deportation of seven "influential" White Russians amply shows. Even more, ex-Gen. Eglau, who was appointed by Grand Duke Cyril as his "Envoy" in Manchukuo in place of ex-Gen. Kislitsin, was also arrested and is still under detention. All his papers and files, taken over from his predecessor, have been taken to the gendarmery, where they are being carefully examined.

Mention in this connection should be made of a whole-sale searching of over a hundred Russians, carried out in the night of August 26 allegedly for the purpose of apprehending persons "insincere" in their attitude towards Japan and Manchukuo. These repeated arrests and searches, carried out wholesale and according to well prepared plans, have so terrorized the Russians that none of them is likely to stick to affiliations any longer.

The elimination of the Paris influence from White Russian affairs in Manchuria constitutes one more step towards war with the Soviets. As said, the fundamental policy of Grand Duke Cyril and his following, including the All Russian Military Union, is not to fight the Soviets, because—as they say—the Red Army is, after all, a Russian Army and as such is guarding Russian national boundaries. To fight against one's own country, in alliance with a foreign army, would be unpatriotic and suicidal for the Russian nation, they say. The installation of Semenoff's clique at the helm of Russian affairs means the discarding of this policy; it is as good as eliminated altogether, being replaced by the policy of active hostility towards the Soviets. This is evident from a proclamation issued by ex-Generals A. P. Baksheyeff and B.A. Kislitsin, announcing the establishment of the Russian Far Eastern Military Union, the text whereof is as follows:—

Announcement

"It is hereby announced that, in Manchukuo, there has been founded the Far Eastern Military Union. Only now Russian emigres have come to realize the importance of being united around the Bureau for Administration of White Russian Affairs in Manchukuo.

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We, the military men, constitute a part of the mass of emigres, yet our tasks and aims are different from those of the rest; having given an oath to serve our country, we are obliged to rise up in arms the moment we are so commanded by our Far Eastern Leader.

Being separated, we shall attain nothing!

In order to be ready for the call of our Leader, which may be sounded at any time, we appeal to all Russian military men, the honest and true sons of their Fatherland, to unite and to form one force for the attainment of our ideas.

As in the days of old, our war-cry should be 'One for All, All for One!'

The great days of trial are vastly approaching; we stand on the threshold of great events: we must, therefore, cast aside all party strifes and struggles, and remember that only by our own hands we shall make our Fortune. Let us revive in memory the words of our great military leader, Suvoroff, who used to say; 'God save us! We are Russians, God is with us!' "

Signed: Lieut.-Gen. A. P. Baksheyeff.

General V. A. Kislitsin.

The Soviet leaders have read this proclamation with attention. It is a direct threat of war pronounced by responsible leaders of the militant White Russian groups with the full cognizance of their Japanese wire-pullers. It constitutes a part of events leading right up to a war with the Soviets. These threats cannot be passed lightly, for the compulsory registration of all officers and men of the former White Russian armies is going on apace; they are compelled to become members of the Far Eastern Military Union, spoken of in the above announcement. The purpose of this registration is self evident—in case of war, all these persons will be mobilized and compelled to serve with the Japanese—Manchukuo Army.

Warlike Preparations Not Confined to Creation of Military Union

The warlike preparations involving the Russian population of Man hukuo are not confined to the creation of the above-named Military Union alone. There is a military school, formerly maintained by the All Russian Military Union, which, since the dissolution of this Union, has become part and parcel of the new Far Eastern Military Union. It is a unique military school in every respect. Its students do not stay in school dormitories, as is the case with all military schools, but attend their classes in evenings, when free from their regular employments. In this manner, the school has been able to graduate scores of "sub-lieutenants," who, however, in the absence of the Russian Army, have all been placed on the "waiting list." It is surmised that as soon as the war breaks out, these newly turned out "officers" will all receive their commissions.

No student of Far Eastern affairs is likely to pass over this agitation amongst the militant groups of White Russians in Manchuria, caused by the "state policy" of Manchukuo. These groups seem to be ready to play any role assigned to them by their Japanese wire-pullers. That no war against the Soviets is thought of without the participation of Whites seems to be self-evident, for theirs will be the role of "liberators of Russia from Communist tenets". This is considered to be a good slogan likely to win the Red soldiers and peasants over to the Whites' cause.

In the light of recent measures of the Kwantung Army in Manchuria, like the centralization of all economic activities, development of strategic railways and highways, concentration of huge armed forces in Manchuria, and so forth, the placing of Semenoff's group over all Whites in Manchuria has extreme significance. The Soviet leaders seem to be quite right when they declare that the imperialists and White guardists are uniting their strength to attack "the land of the Soviets."

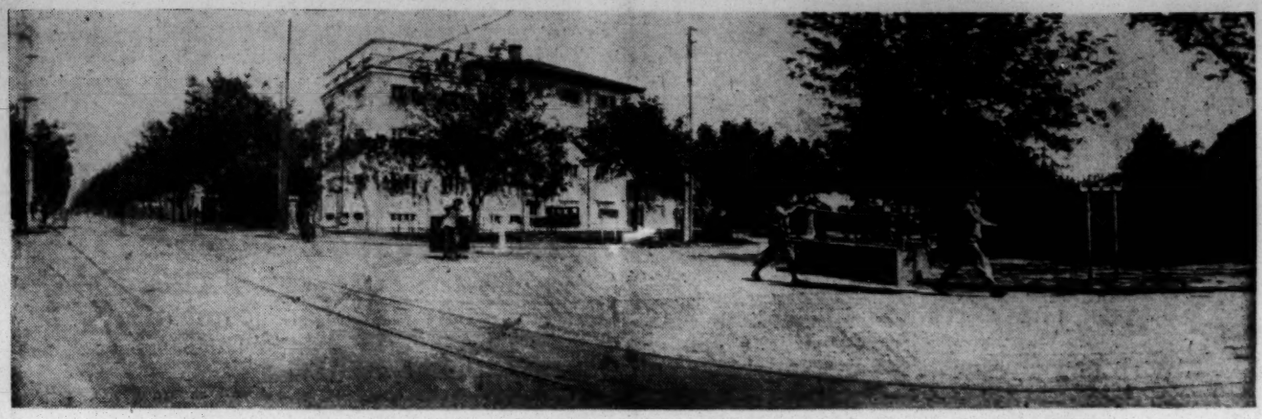
Harbin, September 5, 1935.

13 N.C.O.'s Given Heavy Sentences in Siam for Revolt

Sentences ranging from death to long imprisonment were passed at Bangkok Sept. 9 on 13 out of 15 non-commissioned officers tried by a special court on a charge of planning an insurrection recently. One of the accused was sentenced to death, eight were given life imprisonment, three received imprisonment for 20 years, and one imprisonment for 16 years. Eleven of the prisoners pleaded guilty.

It is alleged that they plotted, inter alia, to kill Luang Pradit, Siam's "mystery man," who is now en route to Europe, and other prominent personages, including the Chairman of the Council of Regency.

SHANGHAI'S PIONEER APARTMENT HOUSE



The above photo, taken in the early 1920's, shows the first apartment building in Shanghai, built by officials of the Dollar Company at the corner of Avenue Joffre and Roi de Albert

THERE are only two cities in the world where there has been an equal change in the building situation compared to Shanghai—namely Los Angeles and Detroit. In neither of those cities, however, has there been such a reversal of local architectural styles as there has been here on the banks of the Whangpoo. For half a century previous to 1920 the standardized form of dwelling house was a blue-and grey brick structure. A door through which more than one family would enter their homes was indeed a rarity. Steam heat, modern flush toilets, and apartment houses all came in about the same time, and, curiously enough, the British population, which in its own country is so thoroughly wedded to the old-fashioned fire-place, where you toast the front half of your body and freeze the rear part, has been the most insistent of all nationalities in Shanghai in demanding steam heat. The British have also vied with Americans in preferring the apartment style of living to the old-fashioned high-ceilinged house with many rooms, but mostly uncomfortable, hard to keep clean, and requiring a small regiment of servants to manage. Since 1920, when the first apartment house was built in Shanghai, the sky-line has been entirely changed. Nowhere in the world are more comfortable and up-to-date apartment houses to be found than here in Shanghai.

Senator Huey Long Dies at Hands of Assassin

Huey Long, U. S. Senator and political boss of Louisiana, was shot down in Baton Rouge by Dr. A. C. Weiss, a 30-year-old throat specialist in Baton Rouge, Sept. 9. The assassin was riddled with bullets by Long's guards and fell dead on the spot. The assailant's gun jammed after the first shot. The bullet struck Long in the abdomen.

Senator Long succumbed to his wounds early in the morning of Sept. 10. Blood transfusions were tried, but proved unavailing. A huge throng attended the funeral of Dr. Weiss, the assassin, who was himself shot down by Long's bodyguards.

The Senator's death will undoubtedly mean the collapse of the dictatorship in Louisiana. It is suggested in some quarters that his death will bring a period of tranquility to the State and will mark the start of an effort to pay off the State debt of U.S. $100,000,000.

New York Magistrate Says German Liner Displayed "Black Flag of Piracy"

In dismissing charges brought against five of those arrested in connection with the Bremen riot, Magistrate Brodsky in New York Sept. 6 described the German liner as "a pirate ship with the black flag of piracy proudly flying aloft." The flying of the Swastika flag in the New York harbor, he added, may have been regarded by the defendants and other citizens as "a gratuitously brazen flaunting of an emblem symbolizing antagonism to American ideals and representing an atavistic throwback to pre-mediaeval if not barbaric conditions."

Dr. Hans Frank, President of the Academy of German Law, in a speech in Berlin said: "Brodsky is a Jew and as such cannot insult either flag or our National Socialist Germany. That, however, a Jew in such a culturally highstanding country as the United States should be able to misuse the honorable position of a judge to pour out the impotent hatred of his race on reliberated Germany is a serious and highly regrettable matter."

Edward Doheny Dies at Los Angeles

The death occurred at Los Angeles Sept. 9 at the age of 79 of Edward Doheny, famed American oil magnate.

U. S. Will Not Initiate Steps for Monetary Stabilization

The United States Treasury Department Sept. 7 denied categorically that it was planning to initiate steps for international monetary stabilization.

Florida Hurricane Kills Hundreds

A hurricane which struck the islands near Key West last week took a toll of 446 killed and missing, according to estimates made by the Red Cross. The figure includes 317 ex-service men in the labor camps in the Keys. Unofficial estimates place the casualties at about 1,000.

South Carolina Strikers Kill Woman

One woman was killed and fifteen other workers wounded two of them very seriously, in the course of a battle which broke out Sept. 2 between the strikers and the nonstriking workers in front of a cotton filature at Pelzer, South Carolina.

U.S. Navy Department Places Orders for More Warships with Four Yards

The United States' Navy Department is continuing its construction program designed to build up the navy to the limits provided for by the Washington treaty, it was learned in Washington, Sept. 10. Contracts have been concluded with four private shipbuilding companies for the construction of 12 units, while 11 others are to be completed in govenrment arsenals. The order given to the private companies includes the construction of one aircraft carrier, three destroyers of 1,850 tons, five destroyers of 5,500 tons and three submarines. These ships will cost in the neighborhood of U.S.$60,000,000 to complete. At the government arsenals, one light cruiser of 10,000 tons, seven destroyers of 1,500 tons each, and three submarines are to be constructed. Even when these ships have been completed the United States will still be short of the Washington treaty limits by 36 destroyers of 1,500 tons, and 18 submarines.

U.S. Chief of Staff Retires to Become Chief Military Adviser in Philippines

President Roosevelt entertained General MacArthur at a farewell luncheon Sept. 3. The General is retiring from his position as Chief-of-Staff to become military adviser to the American Commissioner to the Philippines. General MacArthur during 1922-25 served as commandant of the Manila district. Reports from Washington last spring were to the effect that Gen. MacArthur would be appointed Commissioner and that Frank Murphy would retire.

Passports Taken from Briton and American in Kansu Province

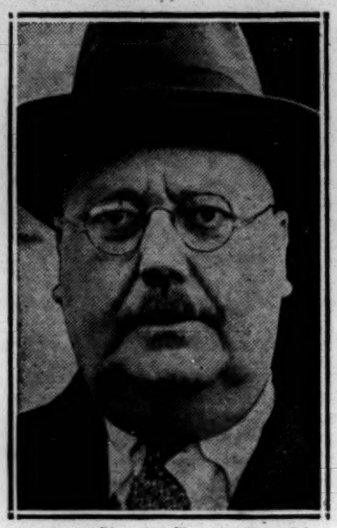
Two foreign youths—John Francis, an American, and H. D. Martin, British—telegraphed to Peiping Sept. 7 stating that they were being detained in Suchow, in Kanss province, and requesting diplomatic help.

Martin and Francis left Kueihua, in Suiyuan, with a solitary camel, three months ago heading for Edsin Gol, on the Kansu-Ninghsia border, after which they turned south into Kansu. At Suchow, their passports were detained, and they were unable to leave without them. They desire to travel to Lanchow, and the British and American authorities have approached the Foreign Office in Nanking asking for assistance to enable the youths to travel back to Peiping.

Consul General Hanson Commits Suicide on Board Ship in Atlantic

George C. Hanson, formerly U. S. Consul General at Harbin, committed suicide on board the Dollar liner *President Polk*, Sept. 4, while enroute to the United States. The *Polk* was due in New York Sept. 10, having left Marseilles Aug. 28. No news is available as to the motive. He was known among his friends as the "Uncrowned King of Manchuria."

As a youth the late Mr. Hanson studied civil engineering at Cornell University, but turned to the Consular Service and, after an examination, was appointed a student interpreter in China in June, 1909. In the course of his career he served at Shanghai, Chefoo, Dairen, Newchwang, Tientsin, Swatow, Chungking, Foochow and Harbin.



—*Shanghai Evening Post Photo*

The Late George C. Hanson

It was in Harbin, to which city he was sent in 1922, that he established his reputation as a capable officer. He was promoted to Consul General in 1931.

Mr. Hanson left Harbin on March 8 this year following his transfer to Moscow. During his brief stay in the Soviet capital, he received orders to proceed to Addis Ababa, but, with the Italo-Abyssinian dispute momentarily assuming a graver complexion, the State Department found it expedient to send a man with a more intimate knowledge of conditions in East Africa to the Ethiopian capital. Mr. Hanson's instructions to proceed there were consequently cancelled, and he was then ordered to proceed to Salonica.

Vice-President of S.M.R. Resigns Post

Yoshiaki Hatta, vice-president of the South Manchuria Railway Co., left Dairen Sept. 10 for Changchun to interview Gen. Jiro Minami, Japanese ambassador to Manchukuo and commander of the Kwantung Army, to tender his resignation. Mr. Hatta's intention to quit his post was rumored soon after Count Hirotaro Haysahi left the presidency of the S.M.R. on July 31.

While the creation of two vice-presidential posts in the vast S.M.R. organization is now regarded certain, only one appointment to fill the post to be vacated by Mr. Hatta will be made at this time because the change requires a revision of the company's statutes, it was further learned. Following the projected reform, one vice-president will deal exclusively with matters relating to the railroad, while the other will have charge of the various S.M.R. subsidiaries, which run from coal mining to harbor improvement. Other changes in personnel administration are also said to be contemplated by Yosuke Matsuoka, the new President of the Yen 800,000,000 organization.

Mrs. Owen Roberts Visits Child Welfare Home and Nursery

Mrs. Owen Roberts, managing director of the China Child Welfare, Inc. of New York, returned to Shanghai end of last week from Nanking where she was accompanied by Jabin Hsu, general secretary of the National Child Welfare Association of China, to pay a visit to the site of the proposed child welfare demonstration center, granted by the National Government four years ago. During her stay in Nanking, Mrs. Roberts was the guest of Dr. J. Heng Liu, Director of the National Health Administration and she attended the opening exercises of the Central Midwifery School held last Friday. On Sept. 10 Mrs. Roberts, accompanied by Mrs. W. H. Plant, wife of the general manager of the U. S. Steel Products Company here and Mr. Ting of the National Child Welfare Association, paid a visit to the child welfare home on Tongshan Road, child welfare nursery on Yangtzepoo Road and Shanghai Industrial Orphanage on Lunghwa Road.

Sino-British Commission Members Leave for Yunnan

The Chinese members of the Sino-British Joint Commission for the demarcation of the Yunnan-Burma boundary—Messrs. Liang Yu-kao and Yin Ming-te, departed from Nanking for Yunnan Sept. 10. It is understood that Colonel Iselin, Swiss neutral chairman nominated by the League of Nations, and Messrs. J. Clague and F. S. Grose, British members of the Commission, are proceeding to Yunnan, Sept. 15.

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為褐色澄明之濃液，含有百分之五十 CRESOL 殺菌力非常準確偉大，誠可供醫院……一切用具之消毒，以及治療皮膚諸症。

家庭……洗滌衣被，噴洒房室，消毒防疫，裨益衛生。

人體……常用浸浴，能增強皮膚，抵抗病菌。

Japanese Press Censorship

BY A. MORGAN YOUNG

(*Reprinted from Asia Magazine for August*)

JUDGED by western standards, the press in Japan is the most free, and at the same time the most bound, in existence. It is free in that the Japanese editor is never kept awake at nights by fears of a prosecution for libel, however outrageously he may have slandered somebody; but it is bound by stringent laws and countless prohibitions, breaches of which cause various degrees of trouble. It is just possible that under the Peace Preservation Law an editor might even incur the death penalty; it is certain that he would earn a long term of imprisonment for what in England would be regarded merely as a speculative essay in political theory.

Foremost, of course, anything that can be construed as lacking in respect toward the Imperial House has to be avoided. The avoidance of disrespect goes much further than in any western country, and the most far-fetched interpretations of innocent utterances are used as a handle for accusing a political enemy of disrespect. Instances of this are constantly occurring. At the time of this writing the learned Dr. Minobe is in serious trouble. He wrote an essay on the Japanese Constitution, in which he spoke if the Imperial office as an "organ" or an "institution" of the State. Exactly what the Sinico-Japanese words which are thus translated suggest to the Japanese mind it is almost impossible to say; but Dr. Minobe was certainly surprised when he became the subject of a bitter and persistent attack in the House of Peers. The leader of the attack was a retired General, Baron Kikuchi, who worked himself up to such a pitch of excitement in the course of one of his several orations on the subject that he burst into tears. Dr. Minobe defended himself vigorously, but his friends did not rally to his support. It is doubtful whether anybody in Japan would have sufficient courage for that. And perhaps it would not be advisable either; for what on the part of one man is an indiscretion comes near to being conspiracy and rebellion if several participate. But the learned Doctor, although protesting against Baron Kikuchi's view of his utterances, said he was quite willing to change them since they led to misunderstanding. Baron Kikuchi comes out of the affair with a reputation greatly enhanced.

Since foreign editors are, of course, particularly careful to respec Japanses susceptibilities in this matter; a personal reminiscence may be permitted here. A primary school had been burnt down, and the principal had lost his life in a vain attempt to save the Imperial Portraits. In my paper I made the comment that the oft-repeated tragedies of this sort were very deplorable; that the Imperial Portrait ought, of course, to be treated with the greatest respect, but that after all, it could be replaced at a trifling cost, and that His Majesty would be grieved to hear that a loyal subject had lost his life in the attempt to save it. The next day I was summoned to the office of the Chief of Prefectural Police. The Chief sat at his desk in full uniform, with sword by his side, and an interpreter at his right. He spoke with great emphasis, and the interpreter (an unusually good one) gave a reproduction of his manner as well as of his words. "The Chief says: I quite understand that this is the British or the American point of view, but you cannot possibly understand the Japanses point of view. To us, this is God." And he emphasized it with a sharp tap on the desk with his hand, as the Chief had done. "A Japanese journalist who wrote like this," he continued, "would be severely punished, but, since you did not understand, I caution you." I ventured to point out that the Imperial photograph appears from time to time in the newspapers, which are put to all sorts of uses. The Chief agreed that this was very deplorable. "But we try to keep as high a standard as possible, and anyhow the Portrait granted to a school and the photograph in the newspaper are quite different things." I thanked the Chief for his explanation, apologized for the trouble I had occasioned and promised not to offened in such a way in future. The incident was closed.

Schools are now less subject to fire, since many have been rebuilt in ferro-concrete; but so many are still of wood that a proposal was made some time ago to provide every such school with a small fireproof chamber in which the Portraits could be kept except when brought out for the pupils and staff to bow before them. But since I began writing this article a school has been burnt, and the principal has been burnt with it, through plunging into the flames to rescue the Portraits.

As time goes on, the requirements of respect grow more exacting, and the pace accelerates. Professor Basil Hall Chamberlain, most distinguished of all foreign scholars in Japanese language and thought, who died in Geneva in February, wrote a pamphlet more than twenty years ago, entitled "The Invention of a New Religion," in which he described how the Emperor-cult had been adpoted when Japan came into contact with the West, as a means to preserve unity. Its increasing strictness, similarly, is used to circumvent any untoward developments of the democratic principle, especially the more radical forms. An American may praise the republicanism of his own country, but a Japanese must not even think of a change in the essentials of the Constitution of Japan.

Loyal devotion is no new invention: in all periods of Japanese history the person of the Emperor was sacred. But in historic times this did not always insure his treatment with what western etiquette would regard as the essentials of respect. His presence was as necessary to the welfare of the nation as the presence of the Ark of the Covenant was to the welfare of the Jews, but this did not prevent some of the older writers from making a critical estimate of the character of some of the Emperors. Nowadays the whole Imperial Line is placed above criticism. Anything lacking in respect is expunged even from ancient books, a specific exception having been made within the past few months of only such books as by their enduring fame nad acquired a textual authority with which it was at this date almost impossible to interfere,

How far this goes may be illustrated by the case of a young Japanese dentist, now undergoing a term of imprisonment on a charge of disrespect to the Imperial House. This young man was a Christian preacher—and, it must be admitted, a very indiscreet one. He said, in the course of an open-air address, that the conduct of Amaterasu, the Divine Ancestress of the Imperial House, as described in the *Kojiki*, did not indicate any great intelligence. Had a staunch loyalist in the crowd punched his head, one could only say, that he had asked for it; but a sentence of six months' imprisonment, confirmed, on appeal, by the highest court, indicates a state of mind on the part of authority which cannot command the same respect abroad as it claims at home.

This pressure is felt keenly in scientific and literary research. Some years ago a Japanese anthropologist who speculated unwisely on Japanese origins found it necessary to recant. Dayton, Tennessee, is not the only place where anthropology comes into conflict with religion. Historians show a certain reluctance to handle periods of history which have left posterity a bad example. The Tokugawa period, when the Shoguns ruled and the Imperial Court was almost forgotten in its seclusion in Kyoto, is avoided by loyalist historians. The greatest of these, however, Mr. Tokutomi, has devoted a tremendous work,the completion of the fiftieth volume of which was lately celebrated,to this period—and with good reason; for it was a time of most fruitful cultural development and ended in the greatest glory of Japanese history, the Meiji Restoration. With much better cause loyal historians contemplate with aversion the semibarbarous Ashikaga period. The great man of this epoch, Ashikaga Takauji, whom some have compared with Warwick the Kingmaker, however, has had his admirers. One of them some twelve years ago wrote an essay praising him—a literary effort which passed quite unnoticed at the time. But when Nakashima, became Minister of Education, some enemy resuscitated this essay and raised such a storm of loyal protest that Baron Nakashima ate humble pie publicly in the Diet, acknowledged the error of his less mature years and resigned office.

Stern moralists tell us that we are never without sin, and the greatest loyalist may not escape a charge of disrepect. At the time of the Intervention in Siberia, General Takayanagi, of the Imperial General Staff, was the popular spokesman for Japanese glory. He spoke vaguely but enthusiastically of "great plans" in a way that suggested to his hearers a vast expansion of Imperial power. But suddenly he was charged with disrespect. It appeared that His Majesty had graciously sent presents of cigarettes to the officers on duty in Siberia, and that General Takayanagi, at a convivial banquet, had given one or more of these cigarettes to *geisha*. There was an incredible row about it. The General now edits a funny little English newspaper in Dairen. Perhaps the cigarettes had nothing to do with this strange destiny, but thirteen years ago his name was better known than those of Generals Araki and Hayashi and Ugaki.

The question has sometimes been asked whether a Christian can be a loyal subject, and the official answer is in the affirmative. Moreover, religious liberty is guaranteed by the Constitution. But the exigencies of modern patriotism have begun to make it doubtful. Compulsory visits to shrines and bowing toward them have been officially described as a showing of respect and not a religious observance; but quite lately sufficient pressure has been brought to bear on the Church of Japan (the equivalent of the Anglican Church or the Protestant Episcopal Church of America) to compel it to alter a form of prayer for the Emperor which has been in use for forty years but had been discovered to be lacking in respect. Unofficially patriotic irritation shows itself in a more objectionable way. The Christian schoolboy is in a cruel position when he is asked, "If you met Christ and the Emperor, to whom would you bow?" Christian pastors have been asked, unofficially though by officials, "What does this mean—*All authority comes from God*—do you mean to say that the Imperial authority comes from *your* God?" These are unpleasant by-products of a cult that grows more exacting as time passes.

We have seen that the obligation of respect extends far back. How far it extends collaterally is uncertain. After the decisive step had been made in Manchuria in 1931, an early opportunity was taken of appointing Imperial Princes to the posts of Chief of Staff in both the army and the navy. Both were fully competent for their high positions; but there can be no doubt that the advantage of having incumbents who were above criticism was fully recognized.

So far I have dealt with matters concerning which utterance has to be very guarded, but of which there is no prohibition of mention except in the most general terms. We may pass on to the cases where mention is more specifically forbidden. These vary in kind from time to time. The most frequent are police matters, either concerned with concealment from a criminal that the police know about his crime or with the process of rounding up "dangerous thinkers" and getting evidence against them. Some of these prohibitions remain in force for years. It must be a decade since an Osaka merchant was discovered dead in a second-class sleeping-berth on the Tokyo Express. It was a full train but somebody had stuck a knife through him without even attracting the attention of the man above. The story has never been published because the murderer has never been found.

A much more recent case, which caused me some trouble, was known as the "Mummified Head Case." The keeper of a tea house, tidying up a lumber room, noticed a suitcase that had been left in his care three or four years before. Feeling curious as to the contents of a case so long unclaimed, he opened it and found inside a dried-up human head. Naturally he reported it to the police, and, after a couple of days, they prohibited further mention of it in the press. On this occasion my paper committed a technical offense. Its weekly edition, of a date subsequent to the prohibition, contained the news that had appeared without offense in the daily. Now some time after, when the prohibition was still in force, a Japanese paper that boasts a circulation well over a million, in flat defiance of the prohibition, issued an "extra" and followed it up in the regular issue, giving many unsavory details about the owner of the suitcase, who had proved to be an obscure actor—a "female impersonator" and a moral degenerate of an unsavory kind; and explaining that the head was that of a victim of his perverted jealousy. It was stuff that sold by the hundred thousand to a public with a taste for pornography and crime. Both papers were duly prosecuted, but, the maximum fine being only some five hundred *yen*, the Japanese paper was left with a considerable profit and openly boasted of its "scoop." My paper was also fined —considerably less than the maximum, but still a sum to be parted from with regret—and it had not made a cent by extra sales. I pointed out to the Procurator that there was a great difference between an offense which was an offense at all only by the merest technicality, and could not possibly have interfered with the purpose of the embargo, and a flagrant defiance of a prohibition, which might have frustrated the course of justice, and which, moreover, was committed for the sake of profit. The Procurator was entirely unable to see any difference. "But both break the same law," he said. Incidentally I learnt that the great rival of the Japanese paper was much annoyed. One of its men went to the police station and demanded vengeance on the delinquent.

Sometimes embargoes concern the army or the navy, and may vary from movements of troops or negotiations with China to the theft of a few cartridges. For some months after the "Manchurian affair" started, there was a very peculiar state of affairs. The press was forbidden to mention any troop movements, but at the same time the secretaries of veterans' societies and young men's associations throughout the country were advised of the time of the passing of every troop train through their district and instructed to see that there was a good crowd to cheer it on its way. One can only suppose that the prohibition was out of respect to the susceptibilities of foreign countries. Not very long before, General Ugaki (now Governor-General of Korea) had supported the proposal to increase the Korean garrison on the ground that should emergency arise in Manchuria the troops could be railed across the border to the scene of disturbance without causing an outcry among the powers such as would greet the shipment of troops from Japan. Perhaps that utterance of the prohibition of the mention of troop movements will one day be cited as the last occasion upon which Japan showed any apprehensions regarding adverse foreign criticism.

Sometimes official secrecy is trusted with the concealment of news, when prohibition would only result in a leakage. For instance, at the time of the first big Communist round-up, in April, 1928, the raid was conducted with the utmost skill, and only after over a thousand were safely under lock and key was the prohibition issued. From the police point of view it was excellent staff work. But in this case, as in many others, a good deal got abroad, and copious details were given in the China papers, no attempt to prevent the importation of which was made. On occasion the Japanese go to the length of trying to prevent the importation of objectionable matter. All book post packets are examined nowadays, and sometimes fail to get through, though the staff is neither sufficiently large nor sufficiently adept linguistically to stop very much. Quite lately the readers of *Vanity Fair* in Japan (of whom the number must be small) missed an issue, which was confiscated from the mails because it contained a colored cartoon showing all the reigning monarchs with wooden expressions as if they were objects in a waxwork show. The Emperor of Japan, in ceremonial costume, was far less a figure of fun than most of them.

The scope of prohibitions has been enlarged since the Manchurian "outbreak." There are so many standing prohibitions regarding Manchuria that the most careful newspaper may get an issue confiscated. Petroleum and communications are two very dangerous subjects. One paper was suppressed a few months ago for reprinting from the *Eastern Engineer* (a London paper) a

(*Continued on page 72*)

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THE CHINA WEEKLY REVIEW

160 Avenue Edward VII

Shanghai.

General Chiang's Flood Rehabilitation Plan

BY S. Y. CHI (季世英)

AMID his heavy duties in the anti-Red campaign and the planning and pushing of administrative reforms in Szechuen, Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission, has during the last few days found time to draft an elaborate plan in preparation for flood rehabilitation in the affected provinces by means of a national reconstruction program, which is of particular interest and significance to all who have the welfare of China at heart.

In a circular telegram issued Sept. 4 to the various provincial and municipal governments, General Chiang Kai-shek called the nation to mobilize all its available labor forces in completing the river conservancy work by the utilization of the five-month winter period, from November 1 to next March 31.

Prefacing his message with the remark that this year's horrible flood castrophe had partly been the result of negligent preparaton for preventing a disaster of such magnitude, the Generalissimo feels it imperative that conservancy measurces be immediately undertaken in order to eliminate the posssible recurrence of such natural calamities in the future. As the various rivers generally run amuck in late spring or early summer, it would be better, states the Generalissimo's wire, that we should exert our utmost during the wintry season, when the farmers are generally at leisure, in carrying on the work of river conservancy and its allied tasks, such as afforestation, river dredging, dyke repairing and construction, lake conservancy and irrigation improvements.

The outline of the workings of the program, as suggested by General Chiang, is as follows:

1. A citizens' labor service season shall be introduced throughout the country beginning from Nov. 1, 1935, to March 31, 1936.

2. The main work of the season will be the carrying out of water-conservancy projects, such as the dredging of rivers and lakes, the repair and construction of dykes and embankments, and the extension of irrigation systems. Other minor works to be carried out should include afforestation, construction of highways, and the planting of trees along the newly-constructed roads. Furthermore, afforestation and road-construction projects must be feverishly executed in provinces unaffected by the flood this year.

3. While the citizens' labor service season should be participated in by the general masses, local public employees, army officers and troops must also take part in the program. College professors and students must likewise devote ten days during their winter vacation to assisting in the work.

4. All provincial and municipal governments should rearrange their part of the administrative program and their citizens' contributory labor service program, which touch upon the enforcement of conservancy, afforestation and road-building projects, with a view to readjusting their programs to local conditions.

5. Matters relating to the drafting of regulations governing the laborers' services, their distribution and their discharge, should be done in accordance with the labor-drafting rulings formerly promulgated.

6. All provincial and municipal governments should, before the end of October of the present year, make complete preparations for the engagement of the executive, technical and advisory staffs as well as the hiring of work-men bosses. They should also be given practical training in the handling of personnel, technology and management. Orders for the necessary engineering materials needed during the season should be placed by the provincial and municipal authorities well ahead of time.

7. A rigid supervision should be exercised by the provincial and municipal governments over the work of the executive and technical members. Engineering materials used must be carefully checked.

8. Economy should be the key-note of the program. The local authorities are requested to raise the necessary funds for the execution of the program. Should they find it impossible to do so, or should the amount of money raised be insufficient to meet the expenditures, it is permissible to seek appropriations from the reserve fund of the national treasury's budget for the 24th fiscal year, that is, from July 1935 to June 1936.

9. All provincial and municipal authorities should have complete labor-drafting plans and budgets, accompanied by the necessary charts and diagrams, prepared before Sept. 30 and submitted to the Generalissimo's Headquarters at Wuchang for approval.

Labor is the potential power of human beings in combatting the forces of nature, opines the Generalissimo, and in China especially when the national treasury is often beset with financial stringency, the people should consider it their sacred duty as citizens to contribute their share of voluntary labor in national reconstruction.

Man power is cited by the Generalissimo as the pride of China, and therefore it is imperative that the government utilize it in a systematic and useful way. If the Chinese people can be taught to cooperate in a voluntary service program, General Chiang declares in conclusion, no obstacle in reconstruction projects will be too great to evercome.

General principles governing voluntary service in China were first issued on April 12 last year to the various provincial governments of Kiangsu, Chekiang, Honan, Kiangsi, Hupeh, Anhui, Hunan, Fukien, Shansi, Kansu, Shensi, Hopei, Shangtung, Chahar, Suiyuan and Ninghsia, and were reiterated in May this year to the provincial governments of Yunan, Kweichow and Szechuen.

If the government could properly encourage the people to contribute part of their time each year to help in the reconstruction work of the nation, it would certainly mean a turning-point in the building of new China.

Nanking, Sept. 8, 1935.

Western Bank of Weishan Lake Is Domed---Yutai Flooded

Following the overflowing of the Chinshan River near Chinshan Bridge, the flood waters in the north of Hsuchow this week poured southward into the vicinity of the Tientsin-Pukow Railway. The water level of Weishan Lake reached the height of 36.96 meters, Sept. 9, an increase of one meter as compared with the flood record in 1926. Hopes for the maintenance of the western embankment of the Lake have been abandoned as all efforts to strengthen it have so far proved futile.

The entire district of Yutai, on the western shore of Nanyang Lake, near the Kiangsu border, has been engulfed by the flood waters pouring in from two breaches on the main dykes.

Soviet Contributes to China Flood Relief

The Red Cross and the Red Crescent Moon Societies of Soviet Russia have jointly contributed a sum of $10,000 for flood relief in China. The money, it is understood, has already been handed over to the National Famine Relief Commission by M. Bogomoloff, Soviet Ambassador to China, through the Waichiaopu.

Retired U.S. Naval Officer Excoriates American Policy of "Cowardly Retreat"

A halt to America's "cowardly retreat" in the Pacific area was demanded Sept. 7. by Captain Dudley W. Knox, retired officer of the United States Navy, writing in the "United States Naval Institute Proceedings." In his article, Captain Knox urged that American supremacy in the Pacific was certain to guarantee peace. "Apart from the iniquity of abandoning the Filipinos to the mercies of the Japanese war machine before they are ready to defend themselves, we gain nothing by our cowardly retreat," the article declared. "Samoa, Hawaii and Alaska will merely be substituted as an excuse for friction, so long as we are poorly armed and conciliatory." Captain Knox asserted in his attack on American policy in the Pacific. He asserted that Japan's aims were primarily commercial expansion throughout the world, and a firm entrenchment on the Asiatic mainland. Therefore, according to Captain Knox, Japan would not risk a war for the Philippines "while the United States had a well-defended base and a strong navy there."

Japanese Firms Sign Two Contracts for Chinese Iron Ore

In the second contract for the purchase of Chinese iron ore concluded within the last month, the Tatung Company, a Japanese firm, Sept. 7 reached an agreement with the Hupeh Provincial Government for the shipment of 50,000 tons of mineral extracted from the Hsiangshan Mine. The deal involves more than Yen 500,000. A similar contract for the purchase of 150,000 tons of ore, valued at Yen 1,500,000 was signed on Aug. 20 between the Nippon Iron Manufacturing Co., and the Hupeh authorities. The first shipment under this deal left China for Yawata in Kyushu on Aug. 29. It was the first Japan-bound export of Chinese ore since 1931.

Shanghai Exports to U.S. Show Increase During August

Shanghai's exports to the United States for the month of August showed a gain of slightly more than 20 per cent over the volume done during July, according to figures compiled by the American Consulate General. The value of the goods exported to the States during August was U.S.$1,239,479 as against exports to the United States of U.S.$1,005,235 during July. The greatest improvement was shown in vegetable food products and beverages.

Who's Who in China

吳秀峯
Wou Shao-fong
Wu Hsiu-feng

Wou Shao-fong, League official; born on October 29, 1898 at Tsin-shan, Kwang-tung; Docteur d'Etat en Droit, France; graduated from the Political Sciences School, Diplomatic Section, Paris; member of the Secretariat of the League of Nations, Political Section; author of "China and the Washington Conference" and "Sun Yat-sen: His Life and His Doctrines" (both in Franch); address: League of Nations, Geneva, Switzerland.

吳秀峯，廣東山縣人，現年三十七歲，法國法學博士，畢業于巴黎政治學院外交系，現任國聯秘書處，秘書，著有(法文)「中國與華盛頓會議」及「孫中山先生學說」.通信處：日內瓦，國際聯盟會。

Trial of American-Oriental Officials Set for Oct. 29

J. Warner Brown, jointly accused with F.J. Raven and A. H. Driscoll of having embezzled U. S. $62,000 from the American-Oriental Finance Corporation, Federal Inc., U.S.A. arrived in Shanghai from Manila Sept. 7 in the custody of Captain Anderson, of the *President Hoover*. Brown stepped ashore a free man, since the specified U. S. $10,000 bail had been posted for him with the Department of Justice at Washington by the Marvland Casualty Company. The warrant issued by the U.S. Court for China was formally served on Brown by U. S. Marshal Faupel on board the *Hoover*.

Application for motion to set the date of the Raven trial was filed Sept. 7 with William T. Collins, clerk of court. At the same time Franklin and Harrington, representing Mr. Driscoll, also filed application for motion to set the date of Mr. Driscoll's trial. The date for the trial of F. J. Raven, J. Warner Brown, and Alfred H. Driscoll was later set for Oct. 29.

Three civil actions filed by Frank L. Hough, liquidator of the defunct Raven concerns, and trustee of the Asia Realty Company, against F. J. Raven for recovery of bonus money paid the defendant by the Asia Realty Company, now in process of reorganization, the American-Oriental Finance Corporation and the American-Oriental Bank, will be brought before Judge Helmick for trial on Oct. 15.

While these three cases are separate actions, the fact that they are all so similar, resulted in Judge Helmick's decision to hear them all at the same time. In each of the three matters, Mr. Hough asks for judgment of Tls. 135,000, or a total Tls. 405,000. He charges that in the cases of the American-Oriental Finance Corporation and the American-Oriental Bank, that Raven accepted the bonuses at a time when he knew the companies were insolvent. In the matter involving Asia Realty, he charges that Raven accepted the bonus wrongfully and fraudulently since he was receiving salary at the time the bonds was paid.

Japan Makes Written Protests Against Stamp Tax at Nanking

Yakichiro Suma, Japanese Consul-General, made a written protest at Nanking Sept. 7 against the application of the provisions of the Chinese Stamp Tax Law to Japanese subjects. The protest declared that the law infringed upon the extraterritorial rights held by Japanese subjects. In addition, Mr. Suma mentioned that the Chinese Government notified the Japanese authorities of its intention to enforce the law only on Aug. 23, a week before it went into effect. This period, he said, was insufficient for the Japanese authorities to study the matter.

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Men and Events

Mark Ginsbourg, China correspondent for the *Washington Post*, returned to Shanghai Sept. 10 from a week's trip to Tokyo.

The death occurred Sept. 8 at the age of 33 of Kingson Wang, secretary to the Whangpoo Conservancy Board and the Whangpoo Conservancy Consultative Board.

The Court of Consuls was scheduled to commence the trial in the U.S. Court premises Sept. 13 of a case in which the Municipal Council is defendant. The plaintiffs are the International Savings Society, who, having got judgment in the British Courts against Merritt Ltd., are trying to garnishee money owed by the Council to Merritt Ltd.

Measures are under the final consideration of the Ministry of Industries for the relief of unemployed overseas Chinese on an extensive scale. Regulations governing the encouragement of reclamation by returned overseas Chinese and measures for their protection are understood to be in course of drafting by the Ministry.

B. W. Fleisher, editor and proprietor of the *Japan Advertiser*, departed from Yokohama by the s.s. *President Hoover* this week for the United States. After receiving treatment in the Mayo Clinic, Rochester, Minn. for phlebitis (from which he has suffered for years), he will continue on to Washington wher he will meet his son Wilfred. The latter is expected in Yokohama middle of November.

At a dinner party held at the Paramount Ballroom in Shanghai Sept. 8 the engagement was announced of Miss Liu Tse-fong to Louis Cyril Diespecker. The groom is connected with Mustard and Company. Miss Liu comes from a well-known Peiping family, and several of her brothers are in Government service.

Huang Ching-shu, who has been editor of the *Central News Agency* at Nanking and Tientsin for about two years, departed for the United States on the *s.s. President Hoover* Sept. 10. Mr. Huang will take a course at the University of Southern California at Los Angeles. He expects to return to China in about two years time.

Believed to be involved in a large gun-running ring, operating in the French Concession, two Japanese subjects named Yamashita and Nabeyama, were arrested by the Japanese Consular Police Sept. 9 and are being held in custody pending thorough investigation into their affairs. The arrest of these two men, the police believe, may lead to the uncovering of a large ring of arms-dealers that has been operating in Shanghai for a long time, disposing of guns and ammunition to bandit gangs and others. Yamashita is a Korean.

Miss A. Viola Smith, registrar for U.S. China Trade Act companies, announces that the recent exemption of such companies from the capital stock tax will not take effect until the period starting last July 1—in other words, the legislation is not retroactive. Thus the returns which China Trade Act companies are at present making, and which must be completed and payment made before Sept. 29 for the period from July 1, 1934 to June 30, 1935, must be carried through and paid.

Differences have developed in the local Japanese community on the question of electing a "mayor." Roughly, the community is divided between the more or less permanent residents of Shanghai, known as the "Honkew side," and the transitory representatives here of Japanese firms. Kyutaro Sugimoto, present acting "mayor" through his posisition as acting president of the Japanese Residents Corporation, has been most frequently mentioned for "mayor," and he appears to be favored by the "Hongkew side."

The launching of the cruiser *Pinghai*, sister ship of the *Ninghai* China's "pocket warship," will take place at the Kiangnan Dockyard, Nantao, near Shanghai, on September 25, in the presence of Admiral Chen Shao-kuan, Minister of the Navy. The vessel was built under the supervision of Japanese engineers and foremen in compliance with the terms the contract for the construction of the Ninghai.

Radio-telephone communications tests between Shanghai and London were conducted during the night of Sept. 7 and declared to be most successful. The following morning, similar tests were made between here and Tokyo. Dr. Wen Yu-ching, director of the International Bureau of Telegraphs of the Ministry of Communications, is understood to be discussing arrangements for regular radio-telephone services between Shanghai and Tokyo with a Japanese Government official here, and it is expected that the service will be open within another month.

Three foreign diplomatic representatives will present their credentials to President Lin Sen during this and next week. Dr. O. Trautmann, who has been elevated by the German Government to the status of first Ambassador to China, will present his credentials Sept. 14. Nelson Johnson, elevated as the first American Ambassador to China, is expected to arrive in Nanking on Sept. 14 from Peiping via Hankow. He will present his credentials Sept. 17. Baron G. W. de Bos van Steenwijk, the new Netherlands Minister, will present his credentials on Sept. 19.

Japan Plans to Export Machinery to China in Competition With Americans

China, which used to import machinery for her heavy industries mostly from the United States alone, is now ready to buy such machinery from Japan in accordance with Sino-Japanese co-operation, the Tokyo *Jiji* of Sept. 3 stated. The Japan Machinery Association, as the first step, has planned to hold an exhibition of Japanese-made machinery at Shanghai to put in motion those native products which will demonstrate to the Chinese the fast strides Japan has made in this field. The Japanese Consulate-General in Shanghai and the Chamber of Commerce and Industry are giving support to the enterprise.

First National Catholic Action Congrsss Meets in Shanghai

The First National Catholic Action Congress, which is being held in Shanghai, was opened Sept. 8 by a Solemn Pontifical Mass, sung by Archbishop Mario Zanin, Apostolic Delegate to China. Fifteen distinguished prelates from various parts of China were present in their episcopal robes at the new Industrial School of St. Joseph's Hospice, near Nantao Station, where the service was held.

Twenty American Editors Will Visit Manila to Witness Inaugural Ceremony

Twenty prominent American newspaper publishers and editors and their families will reach Shanghai on October 29 aboard the *President Grant*, the liner which will also bring Vice-President John N. Garner and a party of 50 Senators, Congressmen and their families. Both groups are en route to Manila for the inaugural celebration to be held there in November.

The newspaper group of the *President Grant* will include Paul Patterson, publisher of the Baltimore *Sun*. It is also reported that Arthur Brisbane, editorial writer for the Hearst newspapers and editor of the New York *Daily Mirror*, may arrive with the newspaper party. The entire party, it is estimated, will number about 200 persons, who are making the round trip to Manila as guests of the Philippine Government.

Roy Howard Coming to Far East on Another Trip—Will Visit Philippines

Roy W. Howard, chairman of the boards of the Scripps-Howard newspapers and the *United Press* Associations, will sail from San Francisco in the *President Coolidge* on first stage of a trip around the world. He expects to arrive at Shanghai in the *President Hoover* on October 21 and spend two weeks visiting China. He has made several previous visits to the Far East, the last in 1933. He and his party is to sail from Shanghai for Hongkong in the *President Polk* on November 5 and its members are to be guests at the inauguration of the Philippines Commonwealth Government in Manila on November 15, before continuing their journey to Europe via Suez.

Bandits Rob Shanghai Post Office of $91,000

Seventy-nine thousands dollars in cash and $12,000 in stamps were taken from the premises of the Chinese Post Office in Shanghai shortly before 10 a.m. Sept. 9 by four armed bandits, who shot dead the coolie who was carrying the money and stamps in a bag. The incident took place in the courtyard and was the work of only a few moments. Two postal guards were wounded by shots fired by the bandits. The robbery was declared to have been possible only with the connivance of persons employed at the Post Office.

Well-Known Shanghai Japanese Resident Indicted on Fraud Charge

Tadaaki Tokunaga, who recently resigned from the Council of the Japanese Residents Corporation, was formally indicted Sept. 10 on a charge of fraud arising out of the conviction in April this year of one Kanazawa for violation of the embargo on the exportation of gold from Japan. According to the authorities, Mr. Tokunaga has confessed to having obtained Yen.1,300 from Mr. Kanazawa by promising to secure judicial leniency for the latter in his trouble with the authorities over the gold shipment. Kanazawa was arrested as he was about to embark for Japan Sept. 7. He was fined Yen 4,000 on the gold smug- gling charge.

Japanese Cotton Mills in Shanghai Increase Working Period

The Japan-China Cotton Mills, numbers 3, 4, 5, 6 and 7, located at 76-80 and 98 Robison Road, Shanghai, have increased their working period from five days and nights to six days and nights per week. These mills employ about 4,770 workers.

Han Fu-chu Calls on Feng Yu-hsiang After Flood Inspection

Following his inspection of the flood situation in Tsining together with Dr. H. H. Kung, Minister of Finance and concurrnely member of the Standing Committee of the National Economic Council, General Han Fu-chu, Chairman of the Shangtung Provincial Government, called on Sept. 4 on General Feng Yu-hsiang at Taishan in Taian and discussed with him the relief measures. General Feng suggested that all the Party members in Shantung should contribute part of their income to the flood relief funds, to which General Han replied that he had already given orders to this effect.

This photo taken on Sept. 4 shows **Gen. Feng Yu-hsiang seeing off Gen. Han Fu-chu after the latter's visit to Taishan.**

Dr. H. H. Kung originally intended to visit General Feng at Taishan after his inspection trip, but owing to pressure of duties at Nanking, he had to return to the Capital by the night train on Sept. 4 without seeing General Feng. General Feng telegraphed to Dr. Kung, urging him to do his best to relieve the flood victims in Shantung.

Two Hundered New Students at Chiao-Tung University

The new term in the Chiao-Tung University started Sept. 9, when two hundred new students were admitted into the Freshmen Class. These, together with the old students, bring the total number of registrations up to seven hundred excluding those at Tangshan College and Peiping School.

In a reception given to the new students, to which all the leading members of the faculty and staff were also invited, President J. Usang Ly greeted the Freshmen by reminding them that their presence there was the result of a keen competitive examination from among eleven hundred candidates during which not only excellence in physique and learning was considered but also general physiognomy as well. "Being the cream of China's young manhood," the President said, "your duty is correspondingly heavier than that of ordinary people. Now, on turning a new chapter in your lives, you must not think of four years hence, when you will be graduated from this University, but forty years from now, when and if you can arrive at a state where you can enjoy bodily satisfaction as well as mental and spiritual happiness, you deserve my heartiest congratulation."

Then he gave an extended discourse on the self-cultivation of power through which such satisfaction and happiness might be secured. "Self-cultivation of power," he said, "is the development of potential mental and physical strength in oneself. . . . It is self making. It means to make oneself strong according to the ideas of goodness, beauty, and truth. It implies a knowledge of what is good, beautiful and true and a strong will to act according to one's conviction . . . The more one can do so, the stronger he becomes. This self-cultivation of power means at once self-elevation and self-regeneration."

Americans Charged in Walden Case Brought to Shanghai—Released on Bail

Eugene Brinson and Julius C. Lemcke were brought to Shanghai from Hankow by U. S. Marshal Faupel, the ship arriving here Sept. 8. Brinson was released on bail of U.S.$2,500. The charge brought against them is that they did aid, abet and assist Joseph Walden (Mr. X) in his attempt to escape from the custody of the Provincial High Court of Hupeh.

Mr. Lemcke was held in prison in Shanghai until Sept. 10 when friends of his posted cash bail for U.S.$1,500. He was thereupon released pending trial. Judge Helmick in the U.S. Court Sept. 10 stated that the trial could not take place for about two months owing to the fact that the calendar is crowded with the Raven and other important cases.

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Conditions in Present-Day Japan

Japan in Crisis. By Harry Emerson Wildes. The Macmillan Company, New York. 1934. 300 *pp. U.S.*$2.00.

Harry Emerson Wildes, former professor of economics and sociology at Keio University, has in his latest work presented a graphic picture of present-day Japan—economic, social, political, educational. The list of chapters shows the comprehensive field covered by Professor Wildes: Yamato Damashii—Japan's Spirit; Luck Deserts Japan; Unbroken for Ages Eternal; Ronin and Reaction; Restore the Ancient Ways; Attacking the Alien; Labor Seeks Recognition; Agrarian Unrest; Raiding the Radicals; Student Strife; Hand-Picked Examination Crammers; Preserving Purity and Morals; Enforcing the Law; Political Machinery; Commercial Corruption; Women and Welfare; Controlling the Press; The Propagandists; Peace of the Far East; The Repression of Korea; Plots and Massacres; The Army Conquers the Diplomats; Formosa asks Home Rule; The Unknown Island; War or Revolution. There is a useful index.

Some of the chapter titles sound journalistic, but incorrectly so. In fact, Professor Wildes goes into excellent detail on many points, making his book of interest not only to the general reader but also to the person specially interested in Japan and wishing a reliable compendium on conditions in that country today. It is the duty of an honest reviewer, however, to note points which are erroneous or dubious, and there are a number in this book. The difficulty is that there is no reason for repeating here the facts so well dealt with in the book, though it is necessary to point out errors. This may make the reviewer appear hyper-critical, but this is by no means his intention. As noted, the book in general is excellent.

One may question, however, Wildes' statement that "few elements that concern spiritual and moral affairs are taken over from the West." If the Japanese Christian leader Kagawa is to be believed, the creed of revived Shinto, with its doctrine of a theocracy headed by a Divine ruler, is actually drawn from Christianity, while the theological content of modern Shinto—now the State religion of Japan, with Emperor-worship as its central feature—appears to have been derived directly from Christian influences during the past half-century. Again, there is no reason to take seriously the statement: "In matters of diplomatic intrigue, Japan quite readily admits, the Chinese are superior . . . In open diplomatic contests Japan's soldier mind is easily outwitted." In fact, this is one of the oldest pretenses of Japanese propaganda: that Japan's "simple soldier mind" is outwitted by the "tricky Chinese." But it is nevertheless absurd: Japan's diplomacy has made no serious errors since 1896, and in fact has been responsible for tremendous gains,—notably the victory over Russia at Portsmouth in 1905.

The manner in which a dictatorship by the extremer militarists was checked by Saionji in the last two years is extremely well told by Wildes and will come as a revelation to many. This was a most important thing, and Saionji's personal history (with which Wildes appears to be unfamiliar) largely explains it: this man, now the most powerful individual in Japanese politics, has been since his younger days a sincere liberal, and though he suspended his democratic newspaper on personal request of the Emperor and was subsequently drafted into the Genro (Elder Statesmen), his influence has been on the liberal side in every crisis—a most important fact in appraising recent developments in Japan. It was no accident that Saionji was marked for assassination by the Japanese Fascists.

The author is very much at home in dealing with education, though perhaps hypercritical with regard to the non-universality of elementary teaching; the number of unschooled children is—in fact—very small indeed. Otherwise this study is excellent, and covers well a topic of which little has previously appeared in English. It gives space to the student movement and to the protests of radical students against the imperialist war on China. When Wildes comes to the political machinery of Japan, he again seems unduly critical in declaring "universal manhood suffrage" to be "still a distant prospect." In fact, the only serious limitation is that of age (25 years). The main difficulty is that this suffrage means but little, because of the official control of elections and the powerlessness of the House of Representatives; Wildes' analogy with the "British House of Commons prior to 1832" is not a good one, that House having been chosen by a very restricted electorate, but having exercised more influence than the Japanese House. Concerning corruption, Wildes' item about last year's scandal, in which a rear admiral and nine less distinguished persons were convicted of stealing a decommissioned battleship in order to sell it as scrap steel, is of interest.

Concerning official propaganda, Wildes has already devoted a special study to press control as exercised within Japan. In the present book, however, he goes on to note the role of Japanese propagandists outside Japan:

> "Save for a scattering of anti-Orientalists, chiefly upon the Pacific Coast, the active publicists are working in the interests of Japan. News discreditable to the Empire meets grave difficulty in finding publication, articles critical of the Japanese are closely scrutinized to strike out passages which may cause needless pain. Japan's sensibilities, more than those of any other nation in the world, are spared by editors....
>
> "Editors well know that the appearance of a news item hostile to Japan is likely to be followed by a shower of protesting letters from Japanese resident in the United States, by official disclaimers from an attache at the embassy and by other 'evidence' to discredit the unpleasant news... For the most part, however, the embassy is called upon only in cases of grave emergency. For minor matters a corps of volunteers is relied upon. Skilled letter-writers, whose names are familiar to followers of the correspondence columns, rush to defend Japan against any imputation of unfair dealing. Editors find that it is simpler, safer, and less embarrassing to omit minor anti-Japanisms."

As regards official control over the press and over news agencies within Japan, this is supplemented by the difficulties which are faced by any foreign correspondent who wishes to send out honest and independent reports from Japan. "Where special correspondents are retained, the great foreign journals prefer to hire men already employed on newspapers in Japan. Thus the New York *Times* and *Herald-Tribune* each secure their special dispatches from men whose economic safety is dependent upon the good will of Japanese officialdom."

Wildes is at his best in dealing with Japan's internal situation. Regarding Manchuria, he sometimes tends to take Japanese wishes and ambitions as if they were correctly founded, as for instance when he states that Manchuria "is becoming an essential granary for the Japanese;" in fact, Japan is exporting wheat flour to Manchuria, and the soya beans brought from Manchuria are not a grain, and not usually used as human food in Japan. Concerning the South Manchuria Railway's activities, he fails to mention the highly important one of actually administering the cities or parts of cities within the "Railway Zone." It is by no means clear that "Japan secured from China an agreement in 1905 that no railway should be built near to and parallel with the South Manchuria Railway;" no such agreement was ever signed. As for Manchuria's "fertile rice lands" freeing Japan "from dependence upon Indo-China and Siam," Japan has not been dependent upon these latter countries for many years past.

Wildes is on absolutely wrong ground in his interpretation of the present Japanese attitude towards the Soviet Union. He declares that "failing recognition" of Manchukuo," "war was resolved upon . . . . Hostilities must be provoked from Russia, or, at the very least, be declared by the Manchukuo authorities, so that Japan might enter as the champion of the weak. A puppet emperor, set up temporarily for the purpose, would serve the function admirably. Hence the accession of Kang Teh." In fact, there is no evidence whatsoever that war was ever resolved upon, that those unbalanced patriomaniacs who favored war did so because of "Manchukuo's" failure to obtain recognition, or that the restoration of Pu-Yi had any connection whatsoever with the alleged resolve to make war.

In speaking of "the Manchukuoan Chinese and the princes of Mongolia," Wildes declares that "theirs is a new country devoid of tradition," which sounds strange as applied to the heirs of Jenghis Khan, whatever be said of other conquerors of North China from this area. His further declaration that "the Chinese residents of Manchukuo are arrivals of only yesterday" is historically only a half-truth at best, as there has been a Chinese population in southern Manchuria for thousands of years, though supplemented by an increasing immigration during the past forty years. H. H.

***This book, as was noted last week, has been banned in Japan—Ed.

As a Frenchman Sees Japan

Japan, by Rene Grousset; translated from the French by Catherine Alison Phillips. New York, Alfred A. Knopf, 1934. 341 pages, with 211 illustrations, and index.

This volume is the fourth and last one in a series written by this author under the caption, "The Civilizations of the East". These books are a history of civilization as shown in the art of the countries studied. The first volume is entitled The Near and Middle East, the second India, and the third China. That on Japan has also a chapter on Bengal, Nepal and Tibet as well as the index for the four volumes of the entire series.

The illustrations, which form such an interesting part of the book, are well done and the style of the whole work is excellent. The text shows the author's familiarity with the history of Japan and the other countries mentioned and blends the aesthetic values of the differing art expressions into a pleasing narrative.

M. Grousset traces the influence of Chinese art on that of Japan and makes clear the debt Japan, the owner of a "seeing eye", owes to her neighbor, under different dynasties and varying conditions. He feels that Japan alone of the nations he treats in his series, has preserved her creative faculties up to modern-times. "If we wish to grasp the secret of the history of Nippon, tthe Japanese recommend us to make a pilgrimage to the sanctuary of Ieyasu at Nikko. Iemitsu, the shogun who closed Japan, built this tomb for his ancestor in 1617. Having walked up a long avenue of cryptomerias and passed the red lacquer bridge and the granite *to rii*, the pilgrim enters the forest of pine-trees which has grown up to old age with the shrine. Having passed through

the temple, in which are accumulated the marvels of seventeenth century art, he ascends by a narrow path through the wood to a tomb of a grandiose simplicity. There, amid the silence of the giant cedars and the secular pine-trees, rests the creator of Japanese unity. The great shogun wished to sleep his last sleep amid the sanctity and mystery of the inviolate mountain. Japan slumbered like him for two centuries in the seclusion of art, poetry and expectation. When she emerged, voluntarily and with the trusty sword of the samurai in her hand, the potentates of Asia had disappeared one after the other; the various cultures of the continent—Persian, Indian, and Chinese—had completed the cycle of their evolution. Only Japan preserved her faculty of creation and self-renewal in both art and politics. Alone in the deserted East she still held herself upright. The genius of a Seiho—to quote but one name among the artists of today—still bears witness to the splendid continuity of her traditions."

The chapter on Tibetan art is short and can give merely an outline of the aesthetics of that country, drawn, as the author states, from Indian and Chinese origins and having the "haunting twofold motive of terror and sexualism, as symbols of the Divine and the Unknowable".

In this volume we notice that the author has in many instances indicated the size of statues and other art forms. The lack of this information is apparent in his volume on China and its presence in the fourth book of the series shows that this has been observed and corrected in the concluding volume.

G. B. S.

Chinese and English Military Dictionary

Chinese and English Military Dictionary, compiled by Capt. J. V Davidson-Houston and Lieut. E. V. Dewar-Burie. Peiping: Henri Vetch (French Bookstore). Price $8.00, Chinese Currency.

Only a comparatively small proportion of foreigners in China have even a smattering knowledge of the Chinese language, and even those who consider themselves fairly well up in the language would probably admit themselves stumped by the words to be found on nearly every page of this 410-page volume. The number of Chinese who know English is of course much greater than those whose native tongue is English knowing Chinese, but very few of these would probably be able to more than guess in translating such terms as "full dressoveralls," "saluting base," "railway mounting gun," "flying bridge," etc. if confronted with the equivalent Chinese words and asked to turn them into idiomatic and understandable English. The book will naturally find its greatest interest in military circles, of all nationalities in China, including the Chinese themselves, of course.

Included in the list of contents are the following: Distinguishing Colours worn by Naval Officers, Chinese National Army Badges of Rank, Distinguishing Collar Badge Colors, Badges of Rank (British, American, French, Japanese, Manchukuo, and Russian armies), Badges (Japanese, Chinese, British and American Navies), Classifers of Nouns, Descriptive Titles given to Text Books, Weights and Measures (Metric, English, Chinese, Japanese and Russian).

For a book of this nature there is no criticism possible. There is only praise for the painstaking eare which the compilers have taken in gathering the material, and it is to be hoped that they will have their reward in a monetary way. The volume was printed in China by Kelly & Walsh and has been issued under the patronage of Marshal Chang Hsueh-liang.

G. W. M.

China's Leaders and Their Policies

The China United Press, 299 Szechuen Road, Shanghai, has issued in brochure form a series of messages to the Chinese people by Wang Ching-wei and General Chiang Kai-shek, under the general title "China's Leaders and their Policies."

The principal message in the series is one entitled, "Responsibilities and Training of Youth—the Cause and Cure of Rural Decadence", by Genetal Chiang Kai-shek. The original address was delivered by General Chiang at the enlarged weekly memorial service at Chengtu on June 8, 1935, and attended by over 6,000 peeple, including General Liu Hsiang, Chairman of Szechuen Province, as well as a large gathering of Boy Scouts and members of the various military training corps.

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At this time of year, when everybody feels more or less jaded and out-of-sorts, there is a tendency to stimulate the enfeebled appetite by means of cock-tails, "aperitives" and unaccustomed foods. The result is that the judicious use of a laxative at intervals is more essential than ever, so that the digestive tract may be cleaned and kept in working order.

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The Arithmetic of Japan's Budget

BY DR. S. WASHIO in the "Japan Advertiser"

The demands for the next year's budget now presented completely by all the departments of the Cabinet to the Finance Ministry are reported to total Yen 2,700 millions. The figure of this year's budget including supplementary budgets was Yen 2,215 millions. Thus the demands for next year's budget exceeds this year's expenditure roughly by Yen 500 millions. This is in spite of the Finance Minister's repeated appeals for reduction of deficit in the Cabinet Council, reinforced by Mr. Takahashi's pamphlet warning of inflationary dangers that would result from unmitigated continuation of loan policy.

Not all the demands are, of course, going to be accepted. The crucial test of the Finance Ministry's trimming shears is to take place in September. Mr. Takahashi's hope is to reduce the figure to not more than the figure of this year's budget and reduce the amount of deficit-covering loan by so much as can be estimated as natural increase in revenue for the next year. Indications so far evident are that he would estimate some Yen 130 millions. But it looks very problematical whether his appeal for economy, having already fallen on deaf ears once, as can be judged from the figures of the demands made by the Cabinet members, can have much helping effect on his trimming job.

Simple Arithmetic Suffices

Simple arithmetic will suffice to show how difficult the job will be. Of the total demand of Yen 2,700 millions Yen 500 millions is for new demands, including roughly some Yen 300 millions for the Army and the Navy. The Army has asked for Yen 620 millions and the Navy for Yen 712 millions in all. Some Yen 300 millions out of this is reported to be represented by new demands added to this year's figures. Even if only a half of this is to be conceded and all the new demands presented by the other departments of the Cabinet are going to be absolutely refused—a hard enough proposition—the next year's budget will exceed this year's by Yen 150 millions. A liberal estimate of natural increase in revenue for the next year will barely cover this. Furthermore, this makes no allowance for supplementary budgets that are almost certain to be submitted for relief and unforeseen emergencies. Last year Yen 50 millions had to be appropriated for flood relief in the Osaka districts.

Where is the reduction in the amount of deficit covering loan hoped for by the Finance Minister to be looked for? In warning the public of the inflationary dangers that will result if a brake is not put on loan policy, it has been the particular care of Mr. Takahashi to refute the common delusion that domestic loans, being obligations confined at home, do not constitute any loss for the nation taken as a whole. Another thing he emphasized is that the Bank of Japan's operation for selling government bonds has so far worked well, preventing any inflationary evils from developing as the result of the Government's loan policy, but that there is a limit to that operation, and that any effort will be too late if once that limit is passed. But he never said where that limit is. He left it to be an elastic point, which one may feel to be near at hand or still remote according to one's temper and difference of interest. This equivocation in his appeal for economy took the force out of it. He may have done this to leave a loophole in framing the next year's budget, but the interests on the demanding side naturally took it to be as wide as they desired. And the public too, failed to be impressed by the Finance Minister's appeal.

People wondered what e ficiency a doubtful reduction of Yen 100 millions or so out of Yen 700 millions of deficit could have for restoring a balanced budget. Far more certain is it that the expenditure for national defense demanded by the Army and the Navy is going to continue for years to come as large as, or larger than, it has been. If the brake is to be put on the loan policy, no mere warning but something more practically dependable and forceful is needed, otherwise the situation will go on drifting until inflationary evils actually develop.

Avoiding Tax Increase

It has been Mr. Takahashi's policy from the beginning to avoid readjustment by tax increase. He has been disinclined to it on the ground that tax increase will discourage industry. That might have been true in the early years of the loan policy, which encouraged industry. But if it is true today, it is equally true that industry will be discouraged by any turn toward retrenchment in the Government's policy. In fact all the industrial interests that are really distinguishable from financial interests are not in sympathy with Mr. Takahashi's appeal for reduction of loans by economy.

It may be curious if tax increases are avoided by the Government while they are advocated by the public. But such as been the case for some time particularly two years ago, when some advocacy of increases was suggested in the Minseito. The Army has always been in the mood to drive its bargain against the Finance Ministry's plea of inflationary dangers. Until a year ago opportunities seemed to be ripe had the Government been included.

But since the feeble effort of the late Fujii, advocacy of tax increases has disappeared. It will be remembered that his attempt to raise some Yen 30 millions by tax increase was met by a sharp slump in the stock market. Other causes worked to bring about that slump. A reaction to the past prosperity was beginning to develop at that time. There was also a criticism that the Bank of Japan's selling of government bonds was exceeding judicious bounds. But the psychological effect of the tax increase was that it was looked upon as the main cause of the stock market's reaction. Since then the idea of tax increase has been discouraged. If an increase of only Yen 30 millions produced such reaction what might not happen if a larger increase, that would really count in restoring a balanced budget, were attempted.

New Junkers Plane Arrives Here from Germany

The new Eurasia trimotored Junkers airplane from Germany was expected to arrive here last Monday, but it was delayed by bad weather enroute. It finally arrived here Sept. 12 in command of Captain H. Rother. The plane took altogether eight days to fly here from Berlin, of which 59 hours and 20 minutes was the actual flying time. It is a giant tri-motored 'B-Anyk" plane and has been chartered by the Eurasia Aviation Corporation for the express purpose of being placed on the newly planned Sian-Chengtu route.

New Airlines Beyond the Arctic Circle

A new airline from Krasnoyarsk-Igarka to Dudinka, which will operate daily throughout the entire year, is to be opened by the Chief Administration of the Northern Sea Route, soon, according to recent advices from Moscow. Another line connecting Wrangel Island with the coast is also being organized, along which the airplanes will fly once very 10 days. These flights will be of both economic and scientific importance as they will enable scientists to study in detail the ice regime of the Cukotsk. At present, airlines along the valleys of the Ob, Yenissei and Lena rivers are operating successfully.

60 New Landing Fields to Be Built in Australia

Official approval was given Sept. 9 to the construction of 60 new landing fields along the Inter-capitals airway route in Australia. It is expected that British and American manufacturers of airplanes will extend their interests in Melbourne.

JAPANESE PRESS CENSORSHIP

(Continued from page 65)

paragraph about petroleum projects in Manchuria; and not only that but the issues mailed abroad were sezed in the post—a comparatively new technique, though not absolutely unknown before. This was before the petroleum monopoly became an international issue. After the monopoly agitated the diplomats, partial premission was give to publish news of it—but it was not to be criticized. Prohibitions against sensationalism have often been giver out, but the prohibition of criticism of official acts concerning economic matters in Manchukuo is something new and full of portent. News about Chientao, the border district inhabited largely by emigrant Koreans, was prohibited soon after the "outbreak"; there was apparently some desperate business there with Koreans who had migrated beyond the Japanese range and who resented this extension of influence. The prohibition in this case pretty effectually prevented news from getting out regarding an interesting political development of which we have not seen the last.

Generally by inadvertence, all newspapers at times commit breaches of some one of the embargoes, of which there must be a couple of hundred in force at one time. What happens in such a case depends upon various circumstances. Curiously enough, the most trifling offenses often cause the most trouble. An embargo imposed by the Home Office (sometimes at the instance of some other government department, such as the War Office) is generally treated quite reasonably. The offending editor is warned, and this is generally all; sometimes the issue containing the prohibited news is confiscated, and there may be a fine as well. But in case of a breach of a local procurator's embargo (generally a police case), the regulations provide no other course but punishment. The punishment is a fine, and an interminable "examination." That may be very troublesome; but, as already related, the larger Japanese newspapers, when they see a chance of making a sensational scoop, publish the news and pay the fine. But when, as sometimes happens, they get caught before the forbidden news is distributed, telegrams flash along to stop the big bundles of papers on the express trains, and those still in the office are hauled off to the police station.

As censorships go, the Japanese censorship is not excessively severe, but it gets worse. One of the most objectionable acts is the suppression of the news of bank failures or of runs on banks. The excuse given is that financial panics must be averted. In 1932 no mention was allowed of a whole series of failures of agricultural banks in the north. The distress was acute at the time, but not until it became a real famine in 1934 and could not be any longer concealed was anything effective in the way of relief accomplished. Communists by the hundred are arrested and spend two or three years in jail, and not until they are formally sentenced is anything publishable about the cases; even then there is practically no information as to what they have actually done. This does not make for justice, but suppression of news never does.

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The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 11, 1935

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Demand buying rate on America:	U.S.$1.00=Sh. $ 2.66
Demand selling rate on London:	£1.0.0=Sh. $13.33
Demand buying rate on London:	£1.0.0=Sh. $13.15

Latest New York Stock Exchange Quotations

September 11, 1935
Stock Exchange — Business Done:-
Total Volume: 1,980,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Sept. 9	Last Sale Sept. 10
11⅞	4⅝	—	Adams Express	8⅝	8¾
146	90¼	4.00	American Can	144	145¾
24⅝	14⅝	0.40	Amer. Cyanamid "B"	24½	24⅝
13¾	2	—	American & For. Power	7⅝	7½
41	11¾	—	American & Foreign Pwr. $7 pref.	36¼	35
18½	10	—	American Radiator & S.S.	18	18¼
143½	99¼	9.00	American Tel. & Tel.	143½	144¾
100¾	67	5.00	American Tobacco "B"	99½	100
27⅝	7¼	—	American Waterworks	16¾	16⅞
20¼	8	—	Anaconda Copper	19⅝	20⅝
73⅝	36⅜	2.00	Atchison, T. & S. Fe	53	53
57⅝	15	—	Auburn	38½	38⅝
34½	7⅞	—	Baltimore & Ohio	17¼	17½
49½	22½	—	Bethlehem Steel	39⅜	50
15¼	6½	—	Boeing Airplane Co.,	14⅜	14⅝
49⅞	16¼	1.50	Borg Warner	49⅞	50⅛
18½	9⅜	—	Canadian Pacific Railway	10⅜	10⅝
88¾	35	—	Case, J. I.	78	79¾
54⅞	23	1.00	Caterpillar Tr.	53¼	53¾
40⅜	15⅞	1.40	Chase National Bank	31½	31¾
49⅞	34	3.00	Chesapeake Corp.	46½	46⅝
48¼	37½	2.80	Chesapeake & Ohio	47¼	46¾
69⅞	29¼	1.00	Chrysler	69⅝	71¾
19¼	3¾	—	Columbia Gas & Electric	13¼	13½
36⅜	15¾	0.60	Coml. Solvents	20¼	20½
3¾	0⅝	—	Commonwealth & Southern (ord.)	2	1⅞
47⅜	16¼	1.00	Consolidated Gas of N. Y.	28⅞	28¼
14¼	6¼	0.25	Consolidated Oil	8⅜	8¾
23	15½	0.25	Contin ntal Oil	20	20⅜
84¼	55¼	3.00	Corn Products	67½	67
32¾	14⅞	0.75	Douglas Aircraft	31⅝	32
123¼	80	3.60	Du Pont de Nemours	123½	124½
23¼	3⅜	—	Electric Bond & Share	13⅝	13⅝
17⅝	8¼	—	Fox Film "A"	16⅜	17
33⅜	16⅞	0.60	General Electric	33⅜	34⅜
37¼	28	1.80	General Foods	34¼	33½
45⅞	24⅝	2.00	General Motors	45⅜	46¼
45¾	13⅜	1.00	General Railway Signal	34½	33⅞
23	14½	1.20	Gold Dust	16⅝	16⅝
41⅝	16	—	Goodyear Tire & Rubber	21¼	20⅞
60⅜	33¼	1.00	Humble Oil	56⅝	56⅝
29⅜	21	0.80	International Nickel	29⅜	29¼
17⅝	5⅝	—	International Tel. & Tel.	11⅜	11¼
73	39	0.25	Johns Manville	73	73½
24	14	0.60	Kennecott	23¾	25⅜
43⅞	20⅝	2.00	Loew's Inc.	43⅜	43⅝
25¼	15⅜	1.20	Lorillard	25¼	25¼
77	39	1.00	Monsanto Chemical	73⅞	73½
36⅜	20	—	Montgomery Ward	36⅞	36⅝
43	16⅞	1.00	National City Bank	29⅝	29⅝
18⅝	13	1.20	National Dairy Prods.	16	15⅞
31⅝	16	2.00	National Distillers	31½	31¼
15½	5	0.80	National Power & Lt.	10⅞	10⅝
46¼	12¼	—	New York Central	25¾	25⅞
25¼	9½	1.00	North American	21	20⅝
28½	12¾	1.50	Pacific Gas & Electric	27	27¼
44½	19	2.40	Pacific Lighting	42½	43
6⅜	2⅜	—	Packard Motors	4⅞	5⅛
82⅜	51½	2.00	Penney, J.C.	82¾	83
39½	17½	1.00	Pennsylvania Railroad	29½	29½
28⅞	13	1.00	Phillips Petroleum	27½	27½
45	20⅝	2.40	Public Serv. of N.J.	43	42¼
8¼	4	—	Radio Corporation	7⅝	7⅞
62⅞	43¼	3.00	Reynolds Tobacco "B"	56½	56⅜
38⅜	17½	—	Schenley	36⅜	35¼
60⅞	31	0.75	Sears Roebuck	60¼	60¼
19⅞	10⅜	0.30	Socony-Vacuum	11⅜	11⅜
22⅝	10⅛	1.50	Southern California Edison	22⅝	22⅝
33⅜	13	—	Southern Pacific	20½	20⅝
25¼	13⅝	0.80	Standard Brands	13⅝	13⅝
17	1⅜	—	Standard Gas & Electric	6⅜	6¼
50⅛	35⅜	1.00	Standard Oil Co. of N. J.	45⅛	45½
67⅛	47¼	3.80	Sterling Products	64¼	64½
43¼	29	2.00	Texas Gulf Sulphur	35	35¼
8½	5	0.30	Transamerica	8	8
65½	35⅜	1.60	Union Carbide & Carbon	65½	67⅜
133⅜	83½	6.00	Union Pacific	101⅜	102½
19½	8⅛	—	United Aircraft (New)	18⅜	18½
8¼	3⅜	—	United Airline Trans.	7¾	8⅛
8⅛	1½	—	United Corporation	5	4⅞
20¼	9⅜	1.00	United Gas Improvement	16¾	16⅞
66¼	40¼	2.00	Universal Leaf	64½	64½
64⅜	32	2.00	U.S. Indus. Alcohol	44½	45¼
24	9⅜	—	U. S. Rubber	15⅜	15¼
59⅞	27⅞	—	U. S. Steel	46⅞	46⅝
21⅜	11½	—	Vanadium	18¼	18½
8¼	2¼	—	Warner Bros. Pictures	6½	6¼
75	27⅞	0.50	Westinghouse Electric	74	76

Call Money: 0¼ %

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